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Japan

Annual Japan-U.S. SII Progress Report Issued

Home Pricing 'Target' Included

OW2907155092 Tokyo KYODO in English 1537 GMT 29 Jul 92

[Text] Tokyo, July 29 KYODO—Japan agreed with the United States on Wednesday to include its target on home prices in an annual report on progress in implementing the so-called Structural Impediments Initiative (SII) agreements made in 1990, government officials said.

The second annual report, to be released after the second day of a two-day bilateral trade meeting, will include the target as a Japanese effort, not as a new commitment, the officials said.

Japan set a target of lowering home prices to less than five times the average annual salary of Japanese workers as part of its new five-year economic program for a better quality of life.

The U.S. has urged Japan to specify the target as a new commitment, claiming it will help expand domestic demand.

In this regard, a senior U.S. administration official said on condition of anonymity, "We were not able in the land use area to reach a new commitment, but we did have a good discussion."

The Japanese negotiators stressed that the quotation of the target will not mean a commitment to the U.S., the government officials said.

Japan, however, is still opposed to the U.S. request to revise the commercial code among others, and therefore drafting of the annual report will take longer than early Thursday morning, the officials said.

Meanwhile, Japan agreed to specify the timing for reducing exceptions to such industries as nonlife insurance, shipping, and distilling under the antimonopoly law, as was proposed by the ad hoc commission on administrative reform, they said.

The council proposed that a decision on the issue should be made by the end of fiscal 1995, which ends in March 1996, they said.

Japan also agreed on the submission of a bill for an administrative procedure law to the next regular Diet session, they said.

The two nations also agreed on a joint survey on the roles of [word indistinct] general trading [word indistinct] Japan's setting guidelines on management of councils under government ministries and agencies, and the U.S. Government and private sectors jointly making a long-term export expansion plan, they said.

The U.S. has asked Japan to revise its commercial code with a view to improving foreign and small shareholders' rights, they said.

The U.S. has also urged Japan to review the code of civil procedure in such a way as to facilitate suits for damages, they said.

In this regard, Japan is still opposed to the reform of its legal system, claiming that the Finance and Justice Ministries should study the issue independently at the Legislative Council, an advisory body to the justice minister, they said.

The senior U.S. official said that good progress was made in the areas of exclusionary business practices and distribution systems, but added that considerable work remains to be done in the savings- investment and land-use areas, and on the "keiretsu" system of interlocking business groupings.

The follow-up meeting is aimed at reinvigorating the SII process as pledged by Prime Minister Kiichi Miyazawa and U.S. President George Bush in January.

However, much has yet to be done by both sides to accomplish goals agreed to in June 1990 to eliminate trade barriers.

The U.S. has not much reduced its fiscal deficit, while Japan has resisted reform of its legal system.

The two countries are to issue the second annual report on Thursday morning.

Reasons for No 'Commitment' Explained

OW3007103792 Tokyo KYODO in English 1021 GMT 30 Jul 92

[By Keiko Tatsuta]

[Text] Tokyo, July 30 KYODO—Japan desperately defended its position not to make a housing price commitment to the United States in an annual report summing up the progress of the bilateral Structural Impediments Initiative (SII) agreements struck in 1990.

Japan agreed to include its home price-to-income target in the second annual report, released Thursday after the subcabinet-level meeting which began Tuesday to review the SII goals set two years ago.

However, Deputy Foreign Minister Koichiro Matsuura stressed that quoting the target was not part of Japan's new commitments, saying its inclusion "is only the introduction of part of our ongoing land-use promotion policies."

In its fiscal 1992-1996 economic program, the government vowed efforts to provide workers in metropolitan areas with houses of good quality at costs of around five times the average annual income of Japanese salaried workers.

The target, however, is widely expected to be unattainable.

Salaried workers nationwide paid 7.1 times the average annual income for ready-built houses and 6.6 times for condominiums in fiscal 1991, according to a survey conducted by the Foundation for Pension Housing Funds, an affiliate of the Health and Welfare Ministry.

"Such houses costing seven to eight times the annual salary are found everywhere in major cities, but (average salaried workers) cannot afford to buy such expensive ones," a foundation official said.

The U.S. had urged Japan to commit to the housing price target as one way to expand domestic demand in Japan, which they said could boost imports.

A senior Japanese trade official said on condition of anonymity, "the government cannot make a pledge to the U.S. before promising to the people."

The government is considering additional pump-priming measures to prop up the sluggish economy, among which is early investment in land for public works.

But some voiced concern that advance land purchases by the government may cause a recurrence of skyrocketing land prices, which could make the housing goal harder to attain.

The SII report mentioned Japan's prior announcement to introduce a substantial supplementary budget with a view of increasing domestic growth and reducing the current account surplus.

The U.S. negotiators expressed disappointment the report did not incorporate commitments to specific new measures.

With mounting frustration over the increasing bilateral trade imbalance, the U.S. renewed its demands, saying much remained to be done in the saving-investment and land use areas, as well as in the "keiretsu" system of interlocking business groupings.

U.S. Assistant Treasury Secretary Olin Wethington said at a press conference in Tokyo, "the measures (offered by Japan on the keiretsu system) are limited, they have not dealt with a number of areas we have thought important."

With one more year left to assess the SII progress, the two nations are apparently on the verge of impasse.

"The negotiations were tough with difficult issues being left behind on both sides as two years have passed," Matsuura said.

Tadao Chino, vice finance minister for international affairs, said, "the more we squeeze a lemon, the less the juice that comes out."

Another Japanese negotiator Noboru hatakeyama, vice international trade and industry minister for international affairs, said after logically unacceptable impediments were removed, the two nations are stuck in difficulties over a difference in systems.

Hatakeyama hinted it could be advisable to discuss structural issues in future on an international stage like the Organization for Economic Cooperation and Development (OECD).

'Commitments' Highlighted

OW3007045392 Tokyo KYODO in English 0434 GMT 30 Jul 92

[Text] Tokyo, July 30 KYODO—Highlights of Japan's commitments made in the second annual report issued Thursday after two days of bilateral talks on reviewing progress in implementing the bilateral Structural Impediments Initiative (SII) agreement of 1990.

Savings and Investment Patterns

—The government strongly reaffirms its commitment to work actively toward reducing its current account surplus.
—Year-to-year public works spending should be decided flexibly considering the prevailing economic and fiscal situation to avoid inflation and overheating of the economy.
—The government will focus on achieving its target of spending 430 trillion yen on public works for the decade from fiscal 1991 in drafting the fiscal 1993 budget.

(The United States sees greater Japanese public works spending as offering more opportunities for sales of U.S. products and services.)

Land Policy

—The government will continue to vigorously advance comprehensive land policies designed to increase the supply of housing and residential land and to make more efficient use of publicly held land in metropolitan areas.
—It will steadily implement measures to reform land taxation to promote more efficient use of land and maintain land prices.

(The United States sees Japan's high land prices as an impediment to foreign investment in Japan.)

Distribution System

—The government will continue to implement a wide range of measures to improve import-related infrastructure, speed import procedures, promote imports, and ease government regulations.
—It intends to further its study on the introduction of a registration system of food factories in an exporting country and on enlargement of the scope of blanket handling.
—With the aim of speeding the movement of imported goods, the government will expand the scope of cargo subject to simplified import procedures other than customs clearance procedures.
—Japan and the United States will resume expert-level talks on simplifying import procedures.

—The Fair Trade Commission will complete a review of its competition codes on premium offers in fiscal 1992 to keep them tailored to changes within the economic environment.
—The government will seek to increase the number of overseas JETRO senior trade advisers, including those to the United States, to facilitate Japanese corporate procurement and other import expansion efforts.
—Japan and the United States will conduct a joint study on the role of major Japanese trading houses for one year, and will set up a working group to discuss and determine contents and methods of the survey. The first meeting of the working group will be held by the end of September.
—The government will continue to promote transparency in standards and certification by making them more consistent with international rules.

(The United States has criticized Japan's distribution system as being complicated and discriminatory to imports)

Exclusionary Business Practices

—The government will take steps to enhance the antimonopoly law and its enforcement, to encourage nondiscriminatory procurement procedures by private Japanese companies, and to reduce delays in obtaining patents.
—It will advance a review of cartels exempted from the antimonopoly law with a view to eliminating or narrowing the scope of such exemptions by the end of October 1995.
—It will submit bills aimed at enhancing transparency in government practices to the next ordinary session of the Diet.
—It will establish an interagency group to prepare guidelines on government-sponsored industrial advisory committees and study groups with a view to ensuring transparency and reflecting views of interested parties, including foreign parties.
—It will sponsor a seminar on procurement practices of Japanese companies with a view to encouraging private firms to develop and make public pamphlets on procurements.
—It will increase the number of patent examiners and other officials involved in processing patents by 66 in fiscal 1992 to cut the period for processing patent applications.

Keiretsu Relationships

—The government reaffirms its intention to take necessary steps to make keiretsu relationships more open and transparent.
—The Fair Trade Commission will continue its monitoring of Japan's six major corporate groups.
—The government will continue to review legal provisions that allow it to restrict foreign direct investment and importation of technology. It recognizes that restrictions on foreign direct investment should be kept to a minimum.
—It considers it important to further expand the scope of segmented corporate disclosure and agrees to report to the 1993 follow-up meeting of the SII on corporate disclosure with a view to improving investor protection.
—The Ministry of Justice will submit a bill amending the commercial law to the Diet immediately after the recommendations of the Legislative Council is available with an aim to improve shareholders' access to corporate financial books and to facilitate derivative lawsuits.

Evaded 'Commitments' on Key Items Detailed

OW3007050192 Tokyo KYODO in English 0444 GMT 30 Jul 92

[Text] Tokyo, July 30 KYODO—Japan and the United States kept new commitments on key items out of a report on progress in implementing the Structural Impediments Initiative (SII) agreements made in 1990, negotiators from both sides said Thursday.

The second annual report, released Thursday morning after two full days of a subcabinet-level meeting which started Tuesday, picked up several "new commitments" on both sides but lacked freshness on key items, the sources said.

Among Japan's new commitments were a joint survey on the roles of its general trading firms, submission of a bill for an administrative procedure law in the next regular Diet session, and a review on exceptions to the antimonopoly law by the end of fiscal 1995, they said.

The report, however, only took note of Japan's housing cost target as a Japanese effort, not as a new commitment, they said.

Japan earlier announced the target to lower home prices to less than five times the average annual salary as part of its new five- year economic program to improve the quality of life.

The U.S. has urged Japan to specify the target as a new commitment, saying it will help expand domestic demand.

The Japanese negotiators stressed that quoting the target does not mean a commitment to the U.S.

"(The report) only mentioned our prior commitment relating to land use," said Koichiro Matsuura, deputy foreign minister.

Asked about the expanding bilateral trade imbalance, U.S. Assistant Treasury Secretary Olin Wethington said at a press conference, "We are not discouraged by year-to-year fluctuations in the current account situation." He did, however, acknowledge that the imbalance is great.

The SII process was launched from a middle- and long-term perspective, not for short-term results, Wethington said. The U.S. welcomes Japan's intention to

introduce this fall a substantial supplementary budget package, the negotiators said.

"Our concern at this moment is that the intention be implemented, that the measures are taken early and that they are a real and effective increase in expenditure of public works investment," U.S. Deputy Trade Representative Michael Moskow said.

For its part, the U.S. committed for the first time to reviewing its health care system with a view to reducing high medical expenses, they said.

The U.S. also promised to review its job layoff system and large salaries for corporate executives, and to set up a long-term export expansion plan, among other things, they said.

The follow-up meeting was aimed at reinvigorating the SII process as promised by Prime Minister Kiichi Miyazawa and U.S. President George Bush in January.

Much has yet to be done, however, by both sides to accomplish goals agreed to in June 1990 to eliminate trade barriers.

The U.S. has not much reduced its fiscal deficit, while Japan has resisted reforming its legal system and has a whopping trade surplus with the United States.

The two nations were supposed to issue the second annual report Wednesday, but held it over until Thursday morning because the meeting continued until after midnight over differences in the wording.

Miyazawa Suggests Expanding Ties With Russia

OW3007103092 Tokyo KYODO in English
1017 GMT 30 Jul 92

[Text] Tokyo, July 30 KYODO—Prime Minister Kiichi Miyazawa suggested Thursday that the Japanese forge deeper ties with ordinary Russians to lay the ground for resolving a thorny territorial issue, Foreign Ministry officials said.

Miyazawa made the appeal in an interview with Russian television to be broadcast in advance of Russian President Boris Yeltsin's visit here slated for mid-September.

The television team was invited here by the Foreign Ministry as part of a publicity effort to make Japan's views better known to the Russian people.

"Since the prewar period, Japanese people, and not only intellectuals, have felt a closeness to Russia through Russian literature and music," Miyazawa was quoted as saying.

"Now Russia shares our values. I hope to deepen our sense of intimacy, and work toward resolving the territorial issue," Miyazawa said, predicting "historic talks" with Yeltsin.

Miyazawa declined to respond directly when asked whether the visit would be considered a failure if there are no new developments over the territorial issue.

"I strongly hope that Yeltsin will make a courageous decision during his trip to Japan and there will be some progress" on the dispute, Miyazawa was quoted as saying.

Earlier in the day Miyazawa told visiting former French Premier Michel Rocard that "conditions do not necessarily permit" optimism on arriving at a solution to the 47-year-old diplomatic problem.

The remark followed reports of heated debate among Russian legislators earlier this week over how Yeltsin should address Japan's claim to four islands off Hokkaido.

Japan has long demanded their return, saying they were illegally occupied by the Soviet Union at the close of World War II.

Russia's acknowledgement of Japanese sovereignty over the islands is a precondition for making available full-scale economic aid.

Miyazawa stressed in the interview that, following the collapse of communism, Russia and the group of seven (G-7) major Western industrialized nations have come to share similar values in areas such as market economy and democracy.

Not 'Optimistic' on Northern Territories

OW3007081692 Tokyo KYODO in English
0808 GMT 30 Jul 92

[Text] Tokyo, July 30 KYODO—Prime Minister Kiichi Miyazawa told visiting former French Premier Michel Rocard on Thursday he is not necessarily optimistic over working out an early solution to Japan's territorial dispute with Russia, Foreign Ministry official said.

Asked by Rocard whether he was hopeful about resolving the island dispute in view of Russian President Boris Yeltsin's upcoming visit here in mid-September, Miyazawa was quoted as replying "conditions do not necessarily permit me to be optimistic."

The remark follows reports of heated debate among Russian legislators earlier this week over how Yeltsin should address Japan's claim to four islands off Hokkaido.

While the Russian Foreign Ministry has advocated the return of four islands, some legislators have said any reversion of land is unacceptable, and suggested Yeltsin's visit be postponed.

Miyazawa also urged Rocard to press for the early construction of a Japanese cultural center in Paris, agreed to 10 years ago.

Construction has been held up due to lack of budget and a suitable site.

Rocard said he would convey the request to the French government.

The former French premier is midway through a private trip to Asia that is taking him to China, Taiwan, Hong Kong, Australia, New Caledonia, and Tahiti, where he is to visit his daughter.

Former Prime Minister Tanaka To Visit PRC

OW2807120092 Tokyo KYODO in English
1126 GMT 28 Jul 92

[Text] Niigata, July 28 KYODO—Former Prime Minister Kakuei Tanaka will visit China for five days at the end of August to celebrate the 20th anniversary of the normalization of Sino-Japanese relations, his daughter said Tuesday.

Makiko Tanaka told a press conference in Nagaoka, Niigata Prefecture, that she went to Beijing this month to set the schedule of the visit.

She refused to elaborate on the trip, citing security reasons.

Tanaka, who was convicted in 1983 on bribery charges in connection with the 1970s Lockheed payoff scandal, has stayed out of the public eye since he was partially disabled by a stroke he suffered in February 1985.

Sources close to Tanaka said the 74-year-old former prime minister has already obtained a passport from the Foreign Ministry and permission to travel abroad as required from the supreme court, where he is appealing his conviction that carries a four-year prison sentence.

Chinese Communist Party chief Jiang Zemin invited Tanaka to China when he visited his Tokyo home in April.

Tanaka is highly regarded in China because the two countries restored diplomatic ties in September 1972 when he visited Beijing as Japan's prime minister.

He became the country's youngest leader in 1972 but resigned in 1974 after being implicated in shady land deals.

Also Tuesday, Tanaka regained the position of chairman of the Nagaoka-based bus service company Echigo Kotsu, in which he is a major shareholder, at a general meeting of shareholders.

He was dismissed as company chairman in 1990.

Senior Diplomat Dispatched to South Africa

OW3007081992 Tokyo KYODO in English
0750 GMT 30 Jul 92

[Text] Tokyo, July 30 KYODO—Japan said Thursday it will send a senior diplomat to South Africa next week to try to reconcile the white government and the African National Congress (ANC).

Takeshi Ohara, director general of the Foreign Ministry's Middle Eastern and African Affairs Bureau will arrive in South Africa on Monday, ministry officials said.

On Tuesday, he will begin what ministry officials described as a round of "quiet diplomacy" in a behind-the-scenes attempt to encourage a resumption in relations between the government of F.W. De Klerk and the ANC led by Nelson Mandela.

Relations between the black majority and the white government had been improving, with De Klerk vowing to end South Africa's apartheid system of racial separaion and releasing Mandela after more than a quarter-century in jail.

But the seeming cordiality broke down after the ANC suspended negotiations with the government over a massacre of 42 blacks in Boipatong on June 17.

The United Nations Security Council passed a resolution July 16 calling for a speedy resumption of negotiations.

UN Secretary General Butrus Butrus-Ghali dispatched former U.S. Secretary of State Cyrus Vance as a special envoy to Pretoria to help restore relations between the two sides.

Ohara will return via Britain where he will discuss Southern and South Africa and Southern Africa with British Foreign Office officials [sentence as received].

Kakizawa Meets James Baker, Yi Sang-ok in Manila

OW2607111792 Tokyo KYODO in English
1053 GMT 26 Jul 92

[Text] Manila, July 26 KYODO—South Korean Foreign Minister Yi Sang-ok hinted Sunday at Seoul's anxiety over Japan's move to send ground troops overseas for the first time since World War II.

Yi told Japanese parliamentary Vice Foreign Minister Koji Kakizawa that South Korea "knows of Japan's efforts to dissipate concern among its neighbors" over the move, but stopped short of showing understanding, a Japanese spokesman said.

Japan passed a law in June allowing its Self-Defense Forces to join United Nations peacekeeping operations, starting with noncombat units to be dispatched to Cambodia later this year.

Kakizawa expressed Tokyo's apology and remorse toward the sufferings of Korean women sent to the front lines to provide sex to Japanese soldiers during the war, the spokesman said.

Yi voiced hope that the issue will be resolved in a way satisfactory to the two nations, he added.

Kakizawa later met briefly with U.S. Secretary of James Baker after they attended a press conference with colleagues from the Association of Southeast Asian Nations

(ASEAN) and its major trading partners at the end of a meeting between the two sides.

Baker told Kakizawa he believes that when Russian President Boris Yeltsin visits Tokyo in September, he will offer something to help resolve a longstanding bilateral dispute over four Russian-held islands off northern Japan, the Japanese spokesman said.

The dispute over the islands, which the Soviet Red Army seized at the end of World War II, has prevented Tokyo and Moscow from concluding a peace treaty despite many years of negotiations.

Baker suggested Japan step up political and economic cooperation in the Asia-Pacific region to produce a climate in which Russia finds it easier to settle the dispute, the spokesman said.

Government Announces Foreign Trade Zone Plan

OW2907114492 Tokyo KYODO in English
1124 GMT 29 Jul 92

[Text] Tokyo, July 29 KYODO—The government revealed Wednesday its plans for establishing foreign trade zones in Japan hoping it would contribute to boosting the nation's import and direct investment from overseas.

Officials said in August they will inquire at local government bodies eying for zones in their districts, and possibly select five areas as the first group of zones in September.

Cities and towns that already have ports and airports, or those that will be ready in the near future, qualify to be designated as foreign trade zones.

Local bodies wishing to be candidates are required to report to the government on projections of how the imported goods will be handled, when the effects of such promotion are likely to appear, and information on facilities like distribution bases and bonded warehouses.

The Ministry of International Trade and Industry, the Ministry of Transport, the Ministry of Agriculture, Forestry, and Fisheries, and the Ministry of Home Affairs will be accepting the reports, the officials said.

Joint enterprises, participated in by both the public and the private sectors, of local governments with zones within their boundaries will be able to receive various financial support, including interest-free loans, from the government, they said.

Venture With PRC To Explore Bohai Oil Fields

OW2907141192 Tokyo KYODO in English
1356 GMT 29 Jul 92

[Text] Tokyo, July 29 KYODO—A Sino-Japanese joint venture will explore two offshore oil fields in Bohai bay jointly with a Chinese state-run oil company, sources close to the tie-up said Wednesday.

Japan-China Oil Development Corp. will start test drilling as early as this year, with financial assistance from China National Offshore Oil Corp. (CNOOC) and a Japanese consortium consisting of five oil exploration companies.

The project, estimated to cost 600 million yen, will develop BZ35-2 and CFD21-2 concessions, located near western and southern fields already explored.

If the test drilling proves successful, crude oil produced at the fields, with estimated reserves of more than four million tons, will be divided equally between the two countries.

The bilateral joint venture, consisting of 48 companies including the governmental Japan National Oil Corp., has developed three oil fields in Bohai Bay since the Chinese government opened mining areas and oil fields in that region in 1987.

But the partnership has plunged into financial difficulties as profits from the three fields, which are producing only one million tons of crude annually, are so small that it is uncertain whether the company can recoup its 1 billion dollars in investment costs.

The planned exploration, the sources said, is likely to serve the interests of both the tie-up, which wants to improve its financial health, and the Chinese government, which is facing a rapidly increasing demand for crude oil.

LDP Panel Approves Tax Break on Investments

OW3007105592 Tokyo KYODO in English
1036 GMT 30 Jul 92

[Text] Tokyo, July 30 KYODO—A panel of the ruling Liberal Democratic Party (LDP) approved plans Thursday for the government to implement a tax break on business investments as part of pump- priming measures, LDP officials said.

They said the approval was given at a top-level meeting of the LDP's Tax System Research Commission.

Commission Chairman Kabun muto told reporters the Finance Ministry And other government offices will be asked to hold consultations on the proposed tax break, which is intended to promote business investments for cost reduction and labor saving.

He suggested the tax break, exceeding 10 billion yen in scale, should be announced in an official notice by the finance minister on or around October 1.

A tax break is already offered on investments on high-tech equipment for energy conservation, labor saving, cost reduction, and basic technical research.

The LDP officials said consideration will be given to wider applications of the tax break.

They said the meeting also agreed to start studies in October on revising the tax system on stock capital gains

and on real estate properties as part of an overall tax reform to be implemented at the end of this year.

North Korea

South Makes Discussion of Issues 'Impossible'

SK3007111492 Pyongyang KCNA in English 1056 GMT 30 Jul 92

[Text] Panmunjom, July 30 (KCNA)—The third contact of members of the Political Subcommittee of the North-South high-level talks was held behind closed doors at the conference room of the Neutral Nations Supervisory Commission here today.

According to a news briefing given by the member of the North side, the North side recalled at the contact that the South side, still setting the "nuclear problem" as a precondition, was not only putting the brake on the development of the North-South relations and on the drafting of an annexed agreement but also inciting distrust and confrontation between the North and the South contrary to the basic spirit of the North-South agreement and to the desire of the fellow countrymen.

It charged that the South side was making it impossible to smoothly discuss the basic issues at all North-South dialogues including talks at the political subcommittee and plunging into a pitfall the exchange of old parents' visiting groups and art troupes arranged with so much difficulty by bringing forward the "nuclear problem" which offers no problem and arguing that "the North-South economic cooperation cannot make progress" unless it is resolved. The North side took a serious view of preparations the South side is making to stage a war exercise dubbed "Focus Lance" against the North, its dialogue partner, in league with outside forces at a time when multi-channeled dialogues are under way between the North and the South. It suggested specifying in the annexed agreement a clause stipulating that neither the North nor the South shall involve itself in or collaborate in foreign force's interference in the internal affairs of the other side. But the South side stubbornly objected to it.

The South side also took exception to the North side's proposal to specify that all the press organs, governmental or nongovernmental, shall refrain from hurling abuses at the other side by any means and methods, saying the nongovernmental press cannot be controlled.

The North side urged the other to approach the discussion of the annexed agreement with sincerity, stressing that the discussion could be made successful only when they adhere to the principle of attaching primary importance to the nation and the agreement between the sides and give up the concept of freezing the status quo.

The sides agreed to have the fourth contact of members on August 5.

Japan Must 'Repent of Her Past Wrongs'

SK2607094692 Pyongyang KCNA in English 0828 GMT 26 Jul 92

["The Same Method Under Different Signboard"—KCNA headline]

[Text] Pyongyang, July 26 (KCNA)—If Japan wants to make an "international contribution" and win "international confidence", she must, first of all, sincerely repent of her past wrongs and clearly liquidate them and convince the international community that she would not repeat them, urges NODONG SINMUN in a commentary today.

Noting that the Japan Defence Agency recently chartered a new "White Paper on Defence", the analyst says:

The White Paper which will be formally published next month contains a special chapter "International Contribution and the Self-Defence Forces [SDF]" which stipulates that the "SDF" may make an "international contribution" and that the overseas dispatch of the "SDF" is important for Japan to win "international confidence."

The "White Paper on Defence" graphically shows the military stance of Japan to set about overseas expansion in real earnest. The so-called "international contribution", "international confidence" and the like are a sophism to justify the overseas dispatch of the Japanese armed forces.

In the past the "Imperial Army" had taken the road of the aggression on Asia, fluttering the sun flag, under the signboard of "Oriental peace," and today the "SDF", its descendant, is trying to realize its old dream of the "greater East Asia co-prosperity sphere" under the U.N. flag with the slogan of "international contribution".

The Japanese authorities are trying to whet the new sword of aggression behind the scene after apologizing with a few ambiguous words.

This means that they are going to repeat the history of crimes.

All the more serious is that the armed forces of Japan are going to be equipped with nuclear weapons. This is fully manifested in the fact that Japan is going to produce, introduce and stockpile more nuclear materials than necessary.

Japan is intending to purchase 40 tons of plutonium till the year 2010 and thereby store up a total of 85 tons which is sufficient to produce tens of thousands of nuclear weapons. It is a strategic aim of Japan to turn herself into a military power, a nuclear power.

Japan which had suffered a nuclear disaster and bitter defeat in the war must not be oblivious of the lesson of history.

Russia's Plans To Honor Assistance Treaty Noted

SK3007105292 Pyongyang KCNA in English
1037 GMT 30 Jul 92

[Text] Moscow, July 28 (KCNA)—The Russian Foreign Ministry issued a statement on July 28 refuting the argument of the South Korean "Defence Ministry" spokesman that the treaty of friendship, cooperation and mutual assistance signed between the former Soviet Union and the DPRK in 1961, or the military provisions of the treaty should be abrogated, ITAR-TASS reported.

An attempt to instruct Russia how to establish relations with other countries is intolerable, said the statement.

It declared that Russia, as the heir to the Soviet Union, assumes all the obligations of the Soviet Union under international treaties and agreements.

It said: there is no doubt that this norm also applies to the treaty with the DPRK. This treaty is still wholly effective, remaining an important element of military and political stability on the Korean peninsula.

Soldiers Commemorate PRC Army Anniversary

SK2907055692 Pyongyang KCNA in English
0451 GMT 29 Jul 92

[Text] Pyongyang, July 29 (KCNA)—A soldiers' meeting was held at the unit of the Korean People's Army to which Comrade Cho Myong-son belongs on July 28 on the occasion of the 65th founding anniversary of the Chinese People's Liberation Army.

General Chon Chae-son and other generals, officers and soldiers of the unit were present at the meeting.

Chiang Zhengcai, charge d'affaires ad interim, and Yin Guangtao, military attache, and officials of the Chinese Embassy here, were invited.

Speeches were exchanged at the meeting.

Kim Il-song Receives Notes From 'Arafat, Others

SK3007052292 Pyongyang KCNA in English
0408 GMT 30 Jul 92

[Text] Pyongyang, July 30 (KCNA)—Solidarity messages and letters came to the great leader President Kim Il-song from foreign party and state leaders on the occasion of the month of international solidarity with the Korean people and the 20th anniversary of the publication of the July 4 North-South Joint Statement.

They came from Yasir 'Arafat, president of the state of Palestine and chairman of the Executive Committee of the Palestine Liberation Organization; H.S. Surjeet, general secretary of the Central Committee of the Communist Party of India (Marxist); Guzman Rivera Castanera, general secretary, and Nicolas Sinche Cerrutti, international secretary, of the Revolutionary Socialist Party of Peru; and Antonio Aranibar Guiroga, chairman of the National Executive Committee, and Alfonso Alem Rojo, international secretary, of the Liberal Bolivia Movement.

They hailed the 20th anniversary of the publication of the North-South Joint Statement which clarified the three principles—independence, peaceful reunification and great national unity—and the adoption of the "Agreement on Reconciliation, Nonaggression, Cooperation and Exchange between the North and the South" and expressed solidarity for the efforts of the DPRK and the Korean people to found the democratic confederal republic of Koryo.

Various Groups Support Korean Reunification

SK2907104992 Pyongyang KCNA in English
1004 GMT 29 Jul 92

[Text] Pyongyang, July 29 (KCNA)—Voices supporting Korea's reunification are growing louder in various countries.

A meeting was held in Hanoi on July 22 under the co-sponsorship of the Vietnam-Korea Friendship Association, the Vietnam Committee for Supporting Korea's Reunification and the Afro-Asian People's Solidarity Committee of Vietnam on the occasion of the month of solidarity with the Korean people.

Speaking at the meeting, Nguyen Trung Hieu, vice-chairman of the Afro-Asian People's Solidarity Committee of Vietnam, said a new prospect was opening for the realization of the Korean people's desire for reunification with the start of high-level talks and the adoption of the agreement on reconciliation, nonaggression, cooperation and exchange and the Joint Declaration on Denuclearization Between the North and the South of Korea. These successes are results of the reasonable proposals and unremitting efforts of the DPRK, he said.

He reaffirmed support for the DPRK's efforts to ease the tensions, make the Korean peninsula a nuclear-free zone and create a favorable environment for national reunification.

The Benin Youth Union in a statement issued on July 20 on the occasion of the month of solidarity with the Korean people urged that the United States and the South Korean authorities should refrain from things that run counter to the Korean people's ardent desire for reunification and should accept an inspection of the nuclear bases and weapons in South Korea and not obstruct the implementation of the North-South agreement.

The Lome group for the study of the chuche idea in Togo issued a statement on the occasion of the 20th anniversary of the publication of the July 4 North-South joint statement, which said the most realistic and reasonable proposal for Korean reunification is the proposal for founding the Democratic Confederal Republic of Koryo based on the three principles—independence, peaceful reunification and great national unity—which was put forward by the great leader Comrade Kim Il-song. The

three principles of national reunification constitutes the basis of Korean reunification, being the reunification principles common to the nation which was confirmed and declared by the North and the South at home and abroad, the statement stressed.

It expressed full support to the three principles of national reunification and held that the U.S. nuclear weapons must be withdrawn and nuclear bases dismantled in South Korea without delay so that the Korean peninsula may be denuclearized.

Envoy Meets Danish Queen; Delegation in Mali

SK2507103692 Pyongyang KCNA in English
1010 GMT 25 Jul 92

[Text] Pyongyang, July 25 (KCNA)—The Korean people's cause of national reunification is actively supported in foreign countries.

Margrethe, queen of Denmark, when she met the Korean ambassador who paid a farewell call on her, said Denmark hoped that the reunification of Korea would be realized peacefully in a democratic way through dialogue and negotiation between the North and the South to contribute to the world peace.

Preben Moller Hansen, chairman of the Danish Workers' Party, Common Cause, when he met the Korean ambassador, said that his party would as ever support the just cause of the Korean people to get the U.S. forces withdrawn and realize the reunification of the country by means of confederacy.

Today the Workers' Party of Korea has become a dignified party with a bright future and the Korean style socialism centered on the masses has been strengthened and developed to be an impregnable fortress which can never be destroyed because there is the wise leadership of the great leader and the Korean people are holding in high esteem Comrade Kim Il-song and Comrade Kim Chong-il with singlehearted loyalty.

Malian Prime Minister Younoussi Toure, when he met a Korean Foreign Ministry delegation, said that the Malian Government sincerely hoped that Korea's reunification would be realized according to a proposal to create confederation laid down by His Excellency President Kim Il-song and held that foreign troops and military bases should be withdrawn from South Korea.

Health, Medicine Cooperation Signed With Poland

SK2807122892 Pyongyang KCNA in English
1059 GMT 28 Jul 92

[Text] Pyongyang, July 28 (KCNA)—A plan on cooperation in public health and medical science between the Ministry of Public Health of the DPRK and the Ministry of Health and Social Security of the Republic of Poland was signed here today.

It was signed by Vice-minister of Public Health Choe Chang-sik and Polish Ambassador here Ryszard Baturo.

South Treatment of Pan-National Rally Viewed

SK3007103692 Pyongyang KCNA in English
1000 GMT 30 Jul 92

["Suppressive Offensive Against Pro-Reunification Patriotic Forces"—KCNA headline]

[Text] Pyongyang, July 30 (KCNA)—The South Korean authorities called "a meeting for measures on August 15 Pan-national Rally" at the "supreme prosecutor's office" on July 28. They blared there that they would "strictly deal with" the pan-national rally, the grand festival for reunification, etc. planned by the preparatory committee for the formation of the South side's headquarters of Pomminryon and Chondaehyop with August 15 as an occasion and "will arrest all the organizers of the functions", branding these functions as "obstacles to the creation of a sound climate for unification" and "activities sympathetic to the North's strategy to communize South Korea".

Commenting on this, a NODONG SINMUN analyst says:

Dismayed at the mounting movement for reunification in the North, the South and overseas, the South Korean authorities are trying to turn back the trend of the times with an anti-unification counter flow, but to no avail.

The pan-national rally, as indicated by its name, will be a grand festival of the nation in which our divided fellow countrymen will gather at one place and discuss ways of reunification, achieve national reconciliation by removing confrontation and distrust, and make peace settle down on this land, for peace and reunification of the country.

Pomminnyon is not an "organisation benefiting the enemy" as alleged by the fascist clique but an organisation of patriotic movement for reunification which rouses broad pro-reunification patriotic forces in a righteous struggle for national reunification by closely uniting them.

The South Korean authorities must know that, however desperately they may try, they cannot block the powerful grand march of the nation for reunification and immediately stop the suppression of the pro-reucification patriotic forces and allow the opening of the pan-national rally in Seoul.

A MINJU CHOSON analyst says that the South Korean authorities, while remaining reluctant to promote dialogues between the authorities, are trying to block even people-to-people dialogues under this pretext and thus throw chill over the desire of the nation for reunification and prolong division.

South Korea

Seoul To Join UN Sanctions Against Yugoslavia

SK3007085692 Seoul MAEIL KYONGJE SINMUN in Korean 30 Jul 92 p 1

[Text] Effective 1 August, export and import to the new Yugoslav Federation, including Serbia and Montenegro, which are now engaged in a war, will be totally prohibited.

On 30 July, the Ministry of Trade and Industry publicly announced a special measure on suspending trade in accordance with an 30 May economic sanctions resolution by the UN Security Council against the new Yugoslavian Federation. The Federation is currently involved in a civil war.

Areas falling under the trade boycott include the import of all goods which have the new Yugoslavian Federation as their origin or shipping port, and the export of all goods which have the new Yugoslavian Federation as their arrival port. Goods, including food and medical supplies for humanitarian purposes, and goods tentatively waiting to be transited are excluded.

Regarding goods which have received export and import licenses before the public announcement, the ministry decided to allow their export and import, so that the damage to these business circles can be minimized.

N-S Political Subcommittee Meets at Panmunjom

SK3007062192 Seoul KBS-1 Radio Network in Korean 0500 GMT 30 Jul 92

[Text] Today at Panmunjom, North and South Korea had the second contact of delegates of the Political Subcommittee to the North-South high-level talks. At the contact, the two sides negotiated the settlement of the annexed agreement for the reconciliation part of the North-South basic agreement.

At the contact, in connection with the issue of ceasing slander and vilification against the other, the North side proposed that neither government-run media organs nor civilian-run media organs be allowed to abuse and slander the other side. However, our side opposed the proposal.

Our side clarified its stance that those groups that should have to cease slandering and vilifying should be limited only to public organizations, such as government organs, political parties, and media organs under public management, so that the freedom of speech is not infringed upon.

Our side also proposed the formation of a working-level consultative meeting for ceasing slander and vilification under the joint North-South reconciliation committee to verify the implementation of the cessation of slander and vilification. The North side, however, shelved the discussion of this problem, proposing that it be discussed when the joint North-South reconciliation committee is formed in the future.

Subcommittee To Meet Again 5 Aug

SK3007095292 Seoul YONHAP in English 0920 GMT 30 Jul 92

[Text] Seoul, July 30 (YONHAP)—South and North Korean officials met at at the truce village of Panmunjom Thursday [30 July] to discuss the contents of a proposed auxiliary accord to facilitate inter-Korean reconciliation.

But neither side would budge an inch and no progress was made.

The members of the South-North Political Subcommitee concentrated on ironing out differences on items related to non-interference in internal affairs and desistence from mutual slander and defamation.

North Korea insisted that all media, public and private, and public organizations should desist from all acts of defamation against each other.

The South rejected the idea on the ground that it would violate the freedom of the press.

The two sides decided to have another contact at Panmunjom on Aug. 5 to carry on the discussion.

South, North To Open Ports for Direct Shipping

SK3007023992 Seoul YONHAP in English 0103 GMT 30 Jul 92

[Text] Seoul, July 30 (YONHAP)—South and North Korea have agreed that the South will open its ports of Inchon and Pohang to direct shipments from North Korea, and the North will open Nampo and Wonsan ports to shipments arriving directly from the South, officials at the Korea Maritime and Port Administration (KMPA) said Thursday [30 July].

The agreement came in the sixth meeting of the Subcommittee for Exchange and Cooperation at the truce village of Panmunjom on Tuesday [28 July].

South Korea had asked the North to open Nampo on the west coast and Chongjin on the east, and offered to open Mokpo and Kunsan on the west coast and Tonghae and Pohang on the east coast.

North Korea wanted the South to open Inchon and Pusan, and offered to open Nampo and Wonsan.

After some discussion, the two sides concluded that there was no alternative to Nampo and that Inchon could be opened because crowding in the port was showing signs of easing.

North Korea objected to opening Chongjin because it has military facilities clustered there and offered Wonsan instead, KMPA officials said.

South Korea dropped Pusan because of serious congestion there and ruled out Tonghae as transportation from the port is difficult.

Nampo can berth a 20,000-ton vessel and its annual stevedoring capacity is 8 million tons. A 10,000-ton vessel is the largest that Wonsan, with an annual capacity of 1.7 million tons, can accept. Neither North Korean port has container cranes.

Of the eight North Korean ports open to international trade, only Hungnam has a 10-ton crane.

When sea routes are established between South and North Korea, therefore, only freighters of less than 10,000 tons will be used, the officials said.

ROK, Russia To Step Up Military Exchanges

SK3007045392 Seoul YONHAP in English 0257 GMT 30 Jul 92

[Text] Moscow, July 30 (YONHAP)—South Korea and Russia have agreed to pursue military exchanges at the same level as political and economic exchanges, actively pushed since they normalized ties.

After winding up an official visit here Wednesday [29 July], Gen. Song Ung-sop, first vice chairman of the South Korean Joint Chiefs of Staff said he and Russian military officers reached an agreement that their countries would promote exchange visits of working-level defense officials and develop them into high-level visits.

Both sides will invite observers from each other to various military drills, including ground exercises, and exchange visits by national defense college personnel and naval academy cadets, Gen. Song told YONHAP.

The full-star general said First Russian Deputy Defense Minister Gen. Kokoshin would come to South Korea at his invitation after Russian President Boris Yeltsin visited Seoul this year.

He would invite six to seven senior Russian officers from the army, navy and air force next year to attend the Armed Forces Day ceremony, he said.

Korea had no plan to purchase weapons from Russia for the present but it was trying to introduce Russian technology for development of the defense industry, he said.

The general said he had stressed in talks with Russian military officers, including his Russian counterpart, Mikhail Kolesnikov, that the existing Russian military alliance treaty with North Korea was contradictory to the South Korea-Russia basic treaty to be signed during Yeltsin's visit to Seoul.

"I told them that, from a military officer's view, a few of the clauses in the pact with North Korea should be amended in accordance with the current circumstances," Song said, adding that the Russian officers didn't respond.

He asked them not to sell offensive weapons to North Korea and asked them to understand South Korean efforts for inter-Korean nuclear inspections, he said.

The Russian military leaders told him they supported South Korea on those issues, and showed a willingness to supply South Korea with documents related to the Korean war, Song said.

Trade With CIS, Socialist Countries Increases

SK3007042692 Seoul YONHAP in English 0158 GMT 30 Jul 92

[Text] Seoul, July 30 (YONHAP)—South Korea posted a 4 million-U.S.-dollar surplus in northern trade in the first five months of the year, its long-awaited taste of black ink after 14 months of red, officials at the Trade and Industry Ministry said Thursday [29 July].

Export turnover was 1,972 million dollars and imports 1,968 million dollars for January-May.

The trade deficit with China slimmed down to 141 million dollars from 413 million dollars in the same period last year, and the deficit with the Commonwealth of Independent States (CIS) slid to 23 million dollars from 117 million dollars.

The trade surplus with Vietnam rose from 33 million dollars to 128 million dollars, all breathing new air into northern trade.

As exports expanded 45.2 percent, double the import gain of 22.8 percent, the upbeat trade tune is expected to play on. The hope that South Korea will resume economic aid of the CIS adds to the bright future for trade with northern nations, they added.

Japan, ROK To Study U.S. Antitrust Law

SK2807105592 Seoul YONHAP in English 0754 GMT 28 Jul 92

[Text] Seoul, July 28 (OANA-YONHAP)—South Korea and Japan will jointly study the economic repercussions of the U.S. anti-trust law, strengthened in April, Foreign Ministry officials said Tuesday [28 July].

Yi Chang-ho, director-general of the Treaties Bureau, talked with his Japanese counterpart, Minoru Tamba, in Tokyo last week and they exchanged information on the law and its application to other countries, the officials said.

"The U.S. law targets mostly Japan, Canada and the European Community. It was never applied on South Korea," Yi said.

"But we agreed to continue information exchange on the matter to study its possible effect in trade with the United States," he said.

The two sides picked the agenda after the United States added force to the law in a regulation April 3, officials said.

A Japanese delegation is visiting Canada and the European Community for similar talks and has promised to brief Korea on the results of its visit, they said.

Exports to U.S. Decrease, to ASEAN Increase

SK3007022092 Seoul YONHAP in English 0030 GMT 30 Jul 92

[Text] Seoul, July 30 (YONHAP)—Exports to South Korea's three major overseas markets fell 5 percent and sales to other regions rose 25.2 percent in the first five months of the year, according to a report issued by the Korea Foreign Trade Association (KFTA) Thursday [30 July].

The United States took 23.7 percent of Korea's exports in January-May, down from 25.8 percent in the same period last year, Japan took 15.5 percent, down from 17.2 percent, and the EC took 12.6 percent, down from 13.5 percent. As a whole, exports to the three markets declined from 56.5 percent of the total to 51.8 percent.

Meanwhile, exports to members of the Association of Southeast Asian Nations (ASEAN) rose from 9.9 percent of the total in the first five months last year to 11.5 percent this year, and sales to the Middle East and Central and South America increased from 4.6 percent and 4 percent to 5.1 percent and 4.7 percent, respectively.

Northern countries increased imports of Korean goods by 1 percentage point to 4.3 percent in January-May.

Exports to ASEAN countries totaled 3.40 billion U.S. dollars for the period, right on the heels of the 3.74 billion dollars to the EC. Should the trend continue, the ASEAN region may well become South Korea's third most important market.

ROK, PRC Agree To Expand Sports Exchanges

SK3007042392 Seoul YONHAP in English 0251 GMT 30 Jul 92

[Text] Barcelona, July 29 (YONHAP)—South Korean Sports and Youth Minister Yi Chin-sam has agreed with his Chinese counterpart, Wu Shaozu, to expand sports exchanges between the two countries.

And Wu asked Yi to actively support China's bid for the 2000 summer Olympics.

On hand at Yi-Wu meeting on Wednesday [29 July] were Kim Un-yong and He Zhenliang, the Korean and Chinese vice presidents of the International Olympic Committee (IOC).

Appointment Power for Defense Minister Approved

SK3007024592 Seoul YONHAP in English 0125 GMT 30 Jul 92

[Text] Seoul, July 30 (YONHAP)—The cabinet approved an amendment Thursday [30 July] that transfers the right to appoint the chiefs of the National War College, Defense Leadership Institute and Army War College from the president to the defense minister.

The amendment to the implementation decree of the Military Personnel Law also allows the defense minister to take over the right from the president to appoint general-grade military attaches.

It stipulates that the number of members of the Committee for Screening Promotions of Officers be increased from seven to 21 with the quorum remaining three.

Prosecution Declares 'Pan-National Rally' Illegal

SK2807110792 Seoul YONHAP in English 0520 GMT 28 Jul 92

[Text] Seoul, July 28 (YONHAP)—The prosecution has declared the Third "Pan-National Rally," scheduled for Aug. 12-17 illegal and decided to use all available means to prevent the rally from taking place.

The prosecutor general's office told a meeting of public security officials, officers of the Agency for National Security Planning and the police to take legal action against everyone involved in the gathering "promoted by North Korea in an effort to communize South Korea."

The organizers say the rally will be held in Seoul attended by Koreans from abroad and both sides of the peninsula.

Under the National Security Law, Pomminnyon (the Pan-National Alliance for Democratic Reunification) and other groups pushing the rally were "benefitting the enemy," prosecutors said, and so they would prosecute the central figures of the groups and all those involved in marches and celebrations connected to the rally.

Since the arrest July 4 of three people involved in planning the rally, prosecutors have been on the trail of five other key figures with arrest warrants they had already obtained from the court.

A prosecution source said that the pan-national rally was a political propaganda to cause a communist revolution in South Korea.

Thirteen people were arrested for organizing the previous two pan-national rallies, three for the first rally in 1990 and 10 for the second rally in 1991.

Minister on 'Political Influences,' Business

SK3007080492 Seoul YONHAP in English 0504 GMT 30 Jul 92

[Text] Seoul, July 30 (YONHAP)—Information Minister Son Chu-hwan said Thursday [30 July] that the government would try its best to detach industrial activities from political influences to get them on a normal track.

Son told a luncheon meeting hosted by the Seoul Foreign Correspondents' Club that the national economy, sacrificed in the swirl of rapid democratization, liberalization and internationalization for five years, should regain liveliness.

Efforts were needed to make South Korea an advanced democratic country by realizing a peaceful power

transfer once again next year in the example of February 1987, the information minister said.

Concerning regionalism, Son said it was high time everyone lowered his voice and fulfilled his duty without complaint.

The government would step up its considerations for the estranged class and do its best to solve social conflicts, he said .

President No Tae-u's major achievements were democratic development, sustainable economic development and nordpolitik, Son said, stressing that No's June 29 declaration in 1987 was a starting point for the democratization of Korea.

Debate over legitimacy, which had brought confusion and distortion to Korean politics, disappeared during No's reign, he said.

Forty years of authoritarian rule was ended by No's fulfilling his promises.

Turning to inter-Korean relations, Son said South Korea came to seek new cooperative measures with North Korea and had barred attritional ideological disputes and cold-war confrontations.

Bank of Korea Head Discusses Government Controls

SK2807041692 Seoul HANGUK KYONGJE SINMUN in Korean 20 Jul 92 p 5

[Text] On 19 July Cho Sun, president of the Bank of Korea [BOK] stressed that our economy should seek stability in the macroscopic perspective and structural reform in the microscopic perspective. To achieve this end, he said various government controls hindering enterprise activities should be abolished or rectified.

BOK President Cho Sun made these comments in his keynote speech entitled "The Task and Future Road of the ROK Economy With the Approach of the 21st Century," at a summer seminar at the Cheju Shilla Hotel under the auspices of the Korean Production Center. He stressed that only when the people of all strata follow the right path, renouncing their own interests, can South Korea become an advanced country.

The ROK economy should seek stability in the macrospcopic perspective and sutructual reform in the microspcopic perspective. Despite efforts by the government, business circles, and the people, economic stability has not been satisfactory, and complete structual reform has not been achieved.

If we resort only to an easy-going method in solving today's difficulties in our economy and disregard its institutional difficulties, our economy will become worse. The only way our economy can survive is for all of our people to renounce selfishness, to eliminate inflation by pooling their strength and displaying their patience, to eliminate the factors that cause prices to increase, to restore balanced development, and, thus, to increase productivity.

This is extremely difficult, however, in light of our economic realities in which our people's fixed ideas and vested rights have never changed. Therefore, our people should have renewed courage and renewed patience and should make a new start. Otherwise, they cannot restore our economy.

First, the government itself should make reforms. The government should work to make unproductive organizations and practices productive. The government's controls which hinder business activities should be abolished or rectified so that economic competition can take place smoothly and in a timely manner. At the same time, it is necessary to impose order and restrictions on those business activities and labor practices that run counter to national interests.

What is particularly important is to revitalize the manufacturing activities of small and medium enterprises. To enhance the international competitiveness of a country with a large population, such as ours, it is imperative to revitalize the manufacturing activities of many small and medium enterprises in various sectors, to promote technology, to encourage suggestions for new ways of manufacturing goods, to produce more new goods, and to train and foster able manpower.

To this end the government should not only abolish its various restrictions and regulations that hamper the business activities of small and medium enterprises, but it should also provide them with sufficient manpower and technological know-how.

To carry out the institutional reform of the economy, it is necessary to take steps to eliminate the trend toward the concentration of economic power. The reason for this is not to enhance a balanced economy, but rather to maintain the efficiency of the economy. To strengthen the national economy, it is imperative to strengthen big enterprises, as well as small and medium enterprises, so that they can back each other up and supplement each other for balanced development.

The liberalization or normalization of bank financing is also important. This is indispensable to eliminating inflation and increasing the productivity of the economy.

Our present banking and financial industry has been extremely distorted not only in its institutions but also in its operations. The availability of financing in our country, the artery of our national economy, has hardened and lost flexibility. The role of the bank financial institutions has sharply declined while the role of the nonbank financial institutions has increased. Under such a situation it is difficult for enterprises to gain vitality.

Innovation is the source of vitality in business activities. It has been difficult to be innovative because our small and medium enterprises have been shrinking. The financial organizations that supply funds to small and medium enterprises so that they can make innovations are the banks, not the nonbank financial institutions. Therefore, a policy that causes banks to shrink and nonbank financial institution to expand is basically an anti-innovation and anti-small and medium enterprise policy. The reason small and medium Japanese enterprises are very powerful today is because Japanese banks support them well.

One of the reasons banking markets in our country have been distorted and have failed to fulfill their inherent functions in adjusting the supply of and demand for funds is the high bank interest rate. The high interest rate has been caused by inflation and excessive demand for money. The way to lower the interest rate is to reduce the anticipation of inflation and to eliminate the excessive demand for funds. In order to eliminate the expectation of inflation, it is imperative to move forward with an anti-inflation policy in the financial and banking sectors. In order to eliminate the excessive demand for funds, it is imperative to eradicate the spirit of speculation gripping both enterprises and people and to implement a policy that discourages reckless business expansion.

The factor clouding the future of our economy is the people's lack of enthusiasm and the egotism of trying to secure their share, a trait that is being discovered in people of all strata. In particular, our political, social and economic leaders have tended to be stingy with "their moral obligation as leaders." As a result, our society has been exposed to corruption. This has clouded our economy and the future of our country as a whole.

If and when our leaders are engaged in flattering each other, if and when intellectuals delude the world and deceive the people, and if and when scholars become academic flatterers, there will be no justice in the press nor will politics follow the right path.

With the approach of the 21st century, our economy is now standing at the crossroads of success or failure. The challenges facing our economy are not due to external factors but to the institutional condradictions existing within our economy.

Frankly speaking, we cannot say that our country has been sincere in coping with such challenges. Where should we go? In a nutshell, we should travel the road to becoming an "advanced country." What should we do? We should step onto a correct path which is based on a sound theory. We can say that no minimum national consensus has been achieved about the correct path we should travel. Distorted theories, not sound theories, run rampant. The greatest factor causing these prevailing distorted theories is that all of our people give priority to individual interests over public interests.

No country achieves good fortune by accident. Only when the people of that country demonstrate an intellectual power [chiryok] that enables them to advance along a righteous path in seeking a sound theory, can that country gain good fortune.

"Intellectual power" means the ability of a country's leading class to formulate a righteous path without pursuing personal interests and to lead the people along that path. This phrase also means the ability of the people to advance along the righteous road by trusting their leading class and by discarding self-interest.

No one can say that this kind of intellectual power is being demonstrated in our country. Although some efforts have been made to improve the economic condition, progress is very slow. Under this situation, challenges prompted by changes in the international situation have become fiercer and more severe. In spite of inflation and a deficit in international payments, all economic forces are in a heated and desperate competition to increase their own shares. Sound theories and reasonable principles that follow the righteous road have not been formulated.

We should begin now to advance along the righteous road with the determination to start anew. This is the only way we can become an advanced country.

Foreign Exchange Control Regulations Relaxed

SK2707151692 Seoul YONHAP in English 1021 GMT 27 Jul 92

[Text] Seoul, July 27 (YONHAP)—Companies advancing overseas will be able to use credit loans from institutions there without any hindrance and to borrow more foreign money with guaranty from September.

The ceiling on prepayment from importers prior to shipment will be increased under revised foreign exchange control regulations unveiled Monday by the Finance Ministry.

The ceiling on advance payment was changed to 2 percent of the annual export performance or 20 percent of the deal regardless of the size of the business. Now large businesses receive 1 percent of annual exports, medium companies 5 percent and small firms 10 percent.

Exporters can select the means of settlement expiring within three years from the present one year in a deferred-payment exports on letter of credits and the limit of money amount in exports on factoring will be abolished

The revised regulations will drop a clause requiring Korean companies to hire Koreans and ease restraints on overseas construction and service businesses to the effect of lifting the ceiling on the foreign currency holdings from the present 3 percent of the remaining contract to 10 percent or 1 million U.S. dollars

Certificates of deposit (CD) and commercial paper (CP) may be issued in foreign financial markets and deposited at the resident account or foreign branch of a correspondent bank.

Personal remittance abroad reportable to the Office of National Tax Administration was adjusted to 500 U.S. dollars or more per case from over 10,000 dollars a year.

A family head can carry out up to 100,000 dollars and each member up to 50,000 dollars for settlement overseas. At present, a family may carry out a maximum 200,000 dollars.

The government will allow people who emigrate for investment purposes to take as much as foreign currency as required by the country, up from the current 300,000-dollar limit.

Companies' Applications To Invest in North Noted

SK3007094892 Seoul YONHAP in English 0854 GMT 30 Jul 92

[Text] Seoul, July 30 (YONHAP)—South Korean companies have applied to invest nearly 200 million U.S. dollars in North Korea since January, according to data released at the third working-level conference for expansion of inter-Korean trade Thursday [30 July].

Applications were filed to invest 199,381,000 dollars in the first half of the year, more than 13 times the 15 million dollars for all of last year.

By category, 15 applications were submitted to invest 63.68 million dollars in the textile sector, followed by three applications in the steel and polyvinyl chloride field for 60.1 million dollars, two in the timber industry worth 28.2 million dollars, eight in footwear for 18.42 million dollars, and two in the leather industry for 15.6 million dollars.

The Trade and Industry Ministry approved 31 of the 59 applications received in the first half of the year.

More on Direct Investment in North

SK3007023592 Seoul THE KOREA HERALD in English 30 Jul 92 p 8

[Text] South Korean companies listed on the Korea Stock Exchange are actively seeking to advance into North Korea, boosted by Deputy Premier Kim Tal-hyon's visit to Seoul last week, according to securities sources.

The number of listed companies wishing to make direct investment in North Korea amounts to 37. They include Daewoo Corp., Samsung Corp., Sunkyong and Hanjin.

Hanjin Co. is seeking cooperation with a North Korean commercial airliner.

Samsung Corp. is pushing to construct a textile mill at Chungjin industrial plot at a cost of $20 million, while seeking to export plants for socks, electronics and footwear.

Meanwhile, Sunkyong is pushing ahead with a plan to set up a wood processing joint venture at a cost of $1 million, along with the establishment of a $2.5 million marine products factory.

Goldstar Co. and Daewoo Electronics Co. are seeking to establish locally incorporated companies in North Korea, while Daelim Industrial Co. and Hyundai Construction Co. hope to take part in large-scale construction works in North Korea.

The government has approved contact with North Korean companies on 59 occasions including 15 in the textile sector and 8 in the footwear industry, in the first half of the year.

But real investment by South Korean firms in North Korea has yet to be made.

However, their advancement into North Korea is expected to sharply soar, if investment guarantee and double taxation avoidance pacts between the two countries are reached, securities sources said.

Civil Servants Warned Against Overseas Travel

SK3007023392 Seoul THE KOREA HERALD in English 30 Jul 92 p 2

[Text] Seventy-seven government workers face stern warnings and other disciplinary measures of overseas travel, in violation making travel regulations during the first six months of this year, the prime minister's office said yesterday.

Most of them are suspected of violating the planned travel periods, the office said.

Government employees, unlike ordinary Koreans, have to report to their supervisors whenever they go abroad. Otherwise, they face reprimands and, in particular cases, can be demoted.

Public officials as well as ordinary people are restricted from going on "unhealthy" tours such as hunting and golfing, the premier's office said.

The 77 officials are from the Ministries of Education, Home Affairs, Justice, Health-Social Affairs and Foreign Affairs, the Korea National Railroad, and the National Police Administration.

Meanwhile, only 313 government employees have filed plans for overseas travel during July and August to the premier's office, 75 percent less than last year's 1,275.

The main factors behind the decline are the strict punitive actions due against government officials who go abroad at will, the reduction in summer vacations from six days to four and the economic slump.

During the first six months of this year, 984,600 Koreans went overseas, an increase of 15.5 percent over the same period last year, but the rate of increase has slowed from 28.7 percent in 1990 and 18.9 percent last year.

No special chartered flights were allowed this year, in contrast to 29 private flights in the July-August period last year which carried 5,950 people to foreign destinations.

Average per-person spending on overseas travel was limited to $1,858 this year, down 8.9 percent from $2,039 last year.

The office said 20 planning and coordination officials met Tuesday [28 July] and decided to continue to curb "unhealthy" tours and "wasteful" overseas studies.

Some Koreans will, however, likely fly to Alaska to hunt, to Hong Kong and Las Vegas to gamble, and to Southeast Asia to golf.

A sizable number of students tend to enter colleges and other educational institutions in foreign countries not for serious studies but for sightseeing, the premier's office said.

In Korea, competition for entry into four-year colleges is so severe, many students seek admission to overseas schools.

Some eateries in foreign countries specialize in snake and bear soups, which are considered delicacies by Koreans. In Thailand and other Southeast Asian countries, many such restaurants and services catering to Koreans have shut down, due to the drop in the number of Koreans who frequent those places, according to the office.

It predicted that "luxurious" overseas travel by Koreans would continue to fall.

Koreans suspected of "immoral" travel tours are subject to tax audits. Tour operators arranging such tours also face the same punishment.

DP Opposes Patronage at State-Invested Businesses

SK2707103292 Seoul YONHAP in English 0509 GMT 27 Jul 92

[Text] Seoul, July 27 (YONHAP)—The opposition Democratic Party [DP] demanded Monday [27 July] the government abolish chairmen of the boards of state-invested institutions and stop making appointments based on personal connections and favors.

Bringing in outsiders as heads of corporations and institutions seriously damaged morale, and non-professional management also caused business losses, it said.

The outburst was the latest in a series of attacks since the government appointed former ruling party lawmaker Kwon Chong-dal chairman of the Board of Directors of the state-invested Korea Development Bank last week.

The appointment is widely taken as a payoff for Kwon's pulling out of a parliamentary race in March.

The protests grew after the government named former Vice Construction Minister Kim Tae-yong president of the state-financed Korea Institute for Industrial Economics and Trade on Saturday.

Kim had resigned as the vice construction minister, taking responsibility for a housing scandal early last year.

Naming such a person as president of the institute epitomised a government appointment system based on personal connections and lacking principle, a DP statement said.

* Japan's Passage of PKO Bill Signals New Era

922C0201A Seoul HANGUK KYONGJE SINMUN in Korean 17-19 Jun 92

[Article in three installments: "Passage of Japan's PKO Bill Signals a New Era and a New Asia"; first two installments written by reporter Kum Song-chol and the third installment by Professor Sin Hui-sok of the Foreign and Security Affairs Institute]

[17 Jun p 1]

[Text] The Japanese Diet at last passed the bill on peace-keeping operations (PKO).

Views on this bill, which has paved the way for dispatching of troops of the Japan Self-Defense Forces [SDF], are varied. Some segments of the Japanese public opinion are perplexed, but the neighboring Asian nations who experienced the aggression of Japanese militarism are all the more perturbed.

As far as the principle is concerned, there is no ground for opposition to the PKO bill because participation in the UN peacekeeping forces is an exercise of the sovereignty of each nation and clearly constitutes a national right.

Imagine how Asia and the world will react if Japanese troops are dispatched to civil war-torn Yugoslavia under the PKO law. The law could have different shades of meaning depending on the viewer. Some may view it relatively cooly from the standpoint of a third party.

For instance, in contrast to the sensitive reaction of Korea and other Asian countries to the passage of the PKO bill, the United States and European countries take it with composure and are even indifferent to it.

Seen from a historical perspective, the birth of Japan's PKO is in keeping with the needs of the times.

First, internationally, the PKO, an illegitimate son of Japanese militarism, has been born in the vacuum created by the termination of the cold war.

This vacuum was foreshadowed in "Operation New Look," a strategic plan drafted by the Chairman of the Joint Chiefs of Staff of the United States shortly before the outbreak of the Gulf war. The essence of this new military strategy looking toward the year 2000 is as follows:

1. The U.S. contingent of the NATO (North Atlantic Treaty Organization) forces will be reduced to a token force. The U.S. cavalry division stationed in former West Germany, which will be sent into the Gulf war, will be withdrawn to the United States as soon as the war is over.

2. In case North and South Korea are simultaneously admitted to the United Nation in the fall of 1991, nuclear weapons will be withdrawn from South Korea, and North Korea will possess no nuclear weapons in return.

3. The U.S. forces stationed in Japan will also be reduced to a token force level.

The vacuum created by the withdrawal of part of U.S. forces from Asia became more real when U.S. bases were closed sooner.

Second, the PKO is in keeping with the needs of the times because with the emergence of Japan as a major economic power, pressure has been brought from overseas to bear on Japan to play a greater international role; and, at the same, there has been self-reflection on the part of Japan on this score. Undoubtedly the feeling of humiliation Japan suffered during the Gulf war prompted the Japanese Government to push for the passage of the PKO bill. In addition, the global expansion of Japanese enterprises meshes well with the purpose of the PKO bill.

This Japanese logic and stance has some validity.

Viewed from the standpoint of neighboring Asian countries, however, this kind of justification misses something essential.

That something is not the consideration that the specter of old militarism will revive with activation of the PKO, but the omission of the procedure that should have preceded it.

The greatest blunder the allies committed in making the post-war settlement was that they passed by the task of clearly defining the status of the two fascist states, namely, Germany and Japan.

The case of Germany is different from that of Japan, however. Germany internally eradicated the remnants of Nazism and provided visible and invisible compensations and apologies to the neighboring states and peoples who were victimized by Nazism. On the contrary, Japan has periodically offered "apologies" as the need arose, but the apologies always ended up a "mere show" without substance. What is more important is not the depth or magnitude of the apologies or compensations which were offered in the past, but the total absence of explanation concerning the PKO plan. As long as there is no clear explanation and no indication of commitment, the neighboring countries' suspicions against Japan will persist and give rise to new tensions in Asia.

This is an age of change. We should not allow ourselves to be overly attached to the past, for we are in the period of historical transition in which we should search for ways to achieve common prosperity for all of Asia in the new international order. We have no room for dancing with the PKO. The PKO may be good for Japan. But Japan should rather stand in the van of such movements as the environmental protection movement and the APKO movement for the elimination of AIDS. By so doing, Japan will take its first step to building a new Japan and a new Asia.

[18 Jun p 1]

[Text] When it comes to any problem concerning the Japanese economy or a Japanese firm, the U.S. press is in the habit of scrutinizing even a minor issue and blowing it up. As far as the PKO bill is concerned, however, it has treated the news very lightly by being so stingy as to give an usually small space to the coverage of this bill.

The indifference of the United States was found its condensed expression in the catechistic 2 June editorial of THE NEW YORK TIMES.

In essence, the editorial said: "As far as the United States is concerned, there can be no complaint against Japan about actively using its vivacious energy to create military capabilities. Nevertheless, there is no need for Japan to proceed in a hurry in the face of the opposition in its neighboring countries and inside Japan."

Indifference is directly associated with irresponsibility and can be taken as a wrong signal by the interested parties.

This is not the first time the United States has shown an ambiguous attitude toward the issue of Japan's armament and the question of Asian security. The ambiguity in the U.S. attitude, however, has amplified the fears of Asian countries about the enactment of the PKO act.

Let us examine what happened in the military situation surrounding Asia in the period extending from the Malta conference to the enactment of the PKO law through the Gulf war.

The former Soviet Union was disbanded, and Russia has for now been dropped from the list of potential adversaries. The Russian military might in the Far East remains intact, and 7 million elite workers are employed in the military-industrial complexes in the Russian Federation.

With the vulnerability of SCUD missiles demonstrated in the Gulf war, demand in Third-World countries for Chinese-made medium-range M-9 and M-11 missiles has increased explosively, elevating China to the number one position in the export of missiles.

The existence of the North Korean military capabilities is a more grim reality. The areas immediately north of the armistice line are crisscrossed with a network of antinuclear underground tunnels which can provide a safe haven for as many as 20 divisions. North Korean munitions factories are hidden in mountainous areas; and the entire area along the coast line from Chongjin to south of Wonsan has been fortified like Fort Navaron. In addition, there are nuclear facilities in Yongbyon.

The prospect of a reduced role of the United States, added to the uncertainty in the Asian region, has given

Japan an excuse for a move to stand on its own feet militarily, and this move has aroused a chain reaction of fear among Asian countries. What is feared is the prospective course of development "from the PKO to a military power to the revival of militarism." Originally, Japanese leftist intellectuals and Asian communist parties came up with this schema of fear. It is true that thanks to its logical clarity and in the light of the experiences in the past, its presentation has proved very appealing, however.

Strictly speaking, the scheme omits many intermediate steps which will take place in going through that process, however. Conversely speaking, given the internal conditions, Japan will have to clear many barriers before becoming militarized again.

The foremost difficulty lies in securing military personnel. The SDF has 250,000 personnel and its manpower always falls short of the fixed number by somewhere between 30,000 and 40,000. In the case of the Japan Ground Self-Defense Force [JGSDF], the fixed number of personnel is 180,000, but the actual number is about 85 percent of this figure. The percentage of the actual number to the given quota is relatively high in intelligence and other special units, whereas the percentage is very low in ordinary units. When most firms except prestigious companies are having difficulties in recruiting new employees, it is hardly expected that contemporary Japanese youths with the tendency to avoid working under "3-K" conditions [K stands for the initial letters of the Japanese words, kikenna, kitanai, and kitsui for hazardous, unclean, and toilsome] will volunteer for military service.

Japan has no court-martial system, nor any military-related laws dealing with emergencies. In addition, a system of civilian control over the military is firmly established.

Needless to say, the barriers mentioned above may not be enough to foil the militarization of Japan.

In the final analysis, the problem posed by the PKO seems to be how Asia will come up with a new defense strategy which will incorporate Japan's military capabilities based on its advanced technology into a common Asian defense structure.

The structure may take the form of a new military version of the Asian-Pacific Economic Cooperation Ministerial Conference (APEC) or that of a gradual expansion of joint military exercises by Pacific-rim countries (RIM-PAC).

The international division of labor which is being practiced in highly advanced industrial structures can be extended to the area of military cooperation.

Even in the case of the U.S. Patriot missile, the missile is produced with the cooperation of dozens of firms in several countries in the process of designing, parts production, and assembly. This is an outcome of the change brought about by technology.

[19 Jun 92 p 1]

[Text] As reported earlier, the Japanese House of Representatives on 15 June passed the bill on cooperation in UN peace-keeping operations (PKO). The House of Councilors passed the same bill earlier. The bill paves the way for SDF troops to be dispatched overseas for the first time since the end of World War II.

Three parties—the ruling Liberal Democratic Party [LDP] and the two centrist parties, namely, the Komeito and the Democratic Socialist Party [DSP]—bulldozed the bill through the Diet. Nevertheless no one can deny that the passage of the bill laid the legal ground for dispatching SDF contingents overseas.

How Japan will prudently act in consultation with the ROK Government in the process of actual implementation of the PKO law allowing full-scale dispatches of SDF troops overseas, should be made a diplomatic issue because the Korean people, who experienced misfortunes at the hands of the Japanese in bygone days, believe that Japan can alleviate our feeling of distrust if it conducts diplomatic consultations with our government in the process of establishing an enforcement ordinance and dispatching troops.

The PKO bill, which passed both houses of the Japanese Diet, has an important political and diplomatic significance in various senses.

First, the passage of the PKO bill epitomizes Japan's active response to the divergent changes in the political dynamics of international politics in the Asian-Pacific age.

Before and after the Gulf war, Japan showed an unlimited possibility of playing important economic, political, and diplomatic roles in the community of nations. Under these circumstances, the United States is delegating to Japan a pacifier's role in regional disputes while gradually disengaging itself from Asia. This stance of the United States is one of the factors which explain why the United States has expressed no active opposition to the passage of the PKO act. The settlement issue of the Cambodian civil war and the controversy over inspection of the North Korean nuclear facilities may be typical examples of such regional disputes.

Apparently, the Japanese Government hopes to expand its political and diplomatic influence to the extent commensurable with its economic power while appropriately responding to U.S. pressures and demands.

Second, the Japanese people have been always been divided in their views concerning the defense of the Japanese archipelago as they went through the tumultuous period since the conclusion of World War II. With the passage of the PKO bill, however, a national consensus is formed for now on the defense issue.

The trend of major Japanese dailies in the coverage of the PKO bill nevertheless indicates how it is difficult to form such consensus.

The prevailing view in the editorials of Japanese local papers is that there should be a fuller debate on the implementation of the PKO law.

Among the national dailies, ASAHI and MAINICHI SHIMBUN urged caution in dispatching SDF troops overseas, whereas YOMIURI SHIMBUN and SANKEI SHIMBUN highly appraised the passage of the law, expressing hopes that Japan will make a greater international contribution and calling for the forceful implementation of the law.

Discussion of national security issues was taboo among the Japanese in the postwar period. The passage of the PKO bill signifies a radical change in their mental attitude toward national defense, however. According to an ASAHI SHIMBUN opinion poll, 40 percent supported the dispatch of SDF personnel overseas in November 1990.

When Japanese minesweepers were dispatched to the Persian Gulf last April, 56 percent supported the dispatch. The percentage who supported the idea of dispatching SDF troops overseas sharply increased this April to more than 70 percent. No one can rule out the possibility that this change in the mental attitude toward national defense among the contemporary Japanese will stir up controversy over an amendment of the constitution.

Third, the just-passed PKO bill is expected to have a significant impact on the relationship between Japan and the ROK. If Japan seeks to become a major military power through dispatches of SDF troops overseas instead of seeking to provide medical service and relief for refuges as emphasized by the LDP government of Japan, it is likely to strain the relationship between the two countries in no small measure. Therefore we hope that Japan will act prudently.

In brief, it is necessary for the ROK, the greatest victim of Japanese militarism, to step up med- and long-term policy studies from various angles to cope with the possibility of Japan's becoming a major military power. It stemmed from this appraisal and perception that our government has expressed apprehensions about the passage of the PKO bill to the Japanese Government, urging it to deal seriously with our misgivings.

We are now faced with a national task to continue to take appropriate countermeasures while watching Japan's future moves attentively.

* North's Need for Nuclear Energy Assessed

922C0187A Seoul HANGYORE SINMUN in Korean 18 Jun 92 p 5

[Article by reporter Kim Tae-ho: "North Korea's Keen Interest in Nuclear Power Generation To Insure Energy Supply"

[Text] It is a common knowledge that "nuclear energy" has dual aspects as the source of horrible nuclear bombs and an inexhaustible energy source.

In the past North Korea countered the suspicion aired by South Korea, the United States, and other nations regarding its nuclear weapons development potential with a flat denial of its ability or intention to develop nuclear weapons. It claimed that the nuclear facilities in Yongbyon are related to its effort for "nuclear energy development designed to meet the energy demand of the national economy in a satisfactory manner." Nevertheless it is a fact that South Korea and the rest of the Western world have entertained the suspicion that North Korea's nuclear policy is geared to the development of nuclear weapons. Needless to say, most probably this suspicion stems partly from the dual character of nuclear energy and partly from North Korea's linkage of its signing of the nuclear safety agreement to the withdrawal of U.S. nuclear weapons from South Korea.

Even if we do not take the North Korean claim at its face value, it may be natural for North Korea to be interested in the development of nuclear energy in an effort to relieve its acute energy shortage. This is all the more so given its rich good quality uranium deposit estimated at 260 billion tons.

It is therefore necessary to interpret in this vein the announcement that North Korea will be ready to abandon the radioactive chemical experimental station in Yongbyon, which is suspected of being a nuclear reprocessing facility, if it is supplied with technologies necessary for the development of nuclear energy from the West.

A look at the energy supply structures of North and South Korea highlights the need for mutual cooperation in the development of nuclear energy.

Currently, with nine nuclear reactors in operation, South Korea ranks ninth in terms of the number of nuclear facilities. In 1991, nuclear power generation accounted for 47.5 percent of the total power supply in South Korea. South Korea has drawn up a plan to install an additional 18 reactors by the year 2006 thereby bringing up the ratio of nuclear energy to the total power supply to 52.1 percent.

South Korea has a feeble energy supply structure. With the increasing consumption of petroleum and natural gas along with the growing dependence on nuclear energy in the total power supply, South Korea has the highest degree of dependence on imports for its energy supply in the whole world. According to the data released by the Ministry of Power and Resources in March, of the total volume of energy consumed in 1991, 91.2 percent was imported from overseas, a figure higher than 87 percent (estimate) in Japan, a major energy consumer. South Korea's dependence on overseas energy sources is expected to increase further still.

Fortunately, South Korea's self-sufficiency rate in nuclear power station building technology has reached 88.2 percent thanks to its experience in building power plants in the past. The government plans to upgrade this rate to 95 percent by 1995. However, the entire amount of uranium used in nuclear power generation is imported from overseas. Last year the import cost $250 million.

On the contrary, North Korea relies on coal for the bulk of its energy production. In the production of electricity, coal-fired power plants and hydroelectric power plants have an equal share. According to "North Korea's Energy Demand and Supply: 71-88," published last year by Professor Chang Yong-sik of New York State University, North Korea's self-sufficiency rate in primary energy production was 88 percent in 1988, the base year. However, Professor Chang notes that the expansion of power generation by coal-fired power plants and the development of large hydroelectric power plants hit a snag beginning in the mid-1980's.

According to Professor Chang, the 75 percent reliance on coal in the total energy sources: 1) has resulted in the backwardness in the development of petroleum-related industries geared to the modernization of the economic structure and the development of new production technologies and higher productivity; 2) has raised the possibility that if the current energy self-sufficiency policy is continued, the energy shortage will pose the greatest obstacle to economic development.

In fact, North Korea's power production goal calls for 100 billion kwh of electricity by the end of 1993, the last year of the Third 7-Year Plan. On the occasion of the 45th founding anniversary of the party, North Korea announced that the amount of electric power in 1989 was 55.5 billion kwh, but since then it has published no further production figures.

It was in the mid-1980's that North Korea undertook to put a plan to build a nuclear power plant in practice. North Korea joined the Nuclear Nonproliferation Treaty because it wanted to receive assistance from the former Soviet Union in the field of nuclear power generation technology. The "agreement concerning the construction of nuclear power plants" signed with the former Soviet Union in 1985 provides for the construction of a power generating station with a total capacity of 1.76 million kilowatts in Sinpo, South Hamgyong Province, by installing four pressurized light water reactors with a capacity of 440,000 kilo watts each.

According to Professor Chang's research, the total power generating capacity of all North Korean power plants was 8.9 million kilowatts in 1988. Even considering the expansion of power facilities since then, the power output at the Sinpo nuclear power plant accounts for only 15 percent of the total power supply.

During a meeting with the Costa Rican delegation to the Pyongyang world peace summit (presided over by Rev. Mun Son-myong) headed by former Costa Rican President (Rodrigo Carraso) last April, President Kim Il-song told the delegation that North Korea plans to have five to seven nuclear power plants, including the one in Sinpo. What is noteworthy is the statement of (Edward Shrier), former Canadian energy minister and a participant in the world peace summit, to the effect that President Kim is interested in the CANDU type reactor, which uses natural uranium, and is profoundly aware that it is necessary to clear the suspicions of nuclear weapons development to pave the way for the development of nuclear power generation.

North Korea is showing interest in the CANDU type nuclear reactor because it can directly utilize its abundant natural uranium resource. Incidentally, of the nine reactors currently in operation in South Korea,, Wolsong Number One is the CANDU type built with the cooperation of Canada. North Korea's interest in nuclear energy is closely related to a shift in its energy policy designed to overcome the limits of the existing energy supply structure. This leaves plenty of room for North and South Korea to cooperate. When this cooperation is realized, suspicions of nuclear weapons development will naturally disappear.

Some observers point out that in his talks with Russian President Yeltsin, U.S. President Bush stressed the need for coordinated action to block North Korea from developing nuclear weapons because in President Bush's judgment, Russia can apply pressure to North Korea over the issue of whether or not it will supply nuclear power generation technology to North Korea as an effective lever.

* Korean Scientists Abroad Aid S&T Development

922C0168A Seoul MAEIL KYONGJE SINMUN in Korean 28 May 92 p 9

[By reporter Yi Chu-ho: "The Korean Scientist Society in the USA Takes the Lead in Luring High-Level Brains Back to Korea: a Review of Korean Scientists and Technicians Movements Abroad"]

[Text] A World Joint Council of Korean Scientists and Technicians was created at an inaugural general meeting in Seoul yesterday.

The council consists of chairmen of the Korean scientist groups in 13 countries, including the United States, Japan, China, the UK, France and Germany as well as Korea. The council, set to serve as the central body of Korean scientists and technicians scattered the world over, is expected to promote scientific and technological developments in our country through exchanges and cooperation and to act as intermediary in expediting the laying of foundations for reunification through North-South cooperation.

Here is a report on the state of Korean scientist groups in various countries:

—The Korean Scientists and Technicians Society in the USA was formed in December 1971 in Washington.

Although only 69 scientists and technicians were present at the inaugural meeting, the membership has grown to 7,500 over the past 20 years.

The present chairman, 21st, is Han Mu-yong, physics professor at Duke University. A chairman serves one year and is elected in April every year by a through-mail vote of 54 branches in all parts of the United States.

In the latest balloting held in April this year, Kim Hyo-kun, physics professor at Rochester University, was elected as the society's 22nd chairman, for the term beginning in July. The society has been acting as the contact point in supplying high-level brains to research institutes and enterprises back in Korea, actively cooperating with the home government's program to attract scientists and technicians from overseas. Its activities also include publishing a bimonthly newsletter, operating a data base for members and scholarship programs, and holding regional symposiums.

Last year, marking the 20th birthday, the society held an advanced science and technology general symposium from 29 November through 3 December in Washington, drawing great attention.

—The [South] Korean Scientist and Technological Society in Japan was established in October 1983 in Tokyo. The original membership of 80 has grown to 1,200 now.

Members are largely divided into two categories—resident members and those who will return home to Korea after a certain period of stay in Japan or when they have achieved their purpose of stay, the latter including students, researchers and visiting professors.

Presently, besides this society, there is the Chongnyon-affiliated [North] Korean Association of Scientists and Technicians in Japan.

The society is currently chaired by Chang Kap-sun, professor at Tokai University. His term expires on 2 June 1993. The group has been active with programs to promote science and technology among Korean residents in Japan, holding nine scientific symposiums to date.

—The Korean-Chinese Scientist Society was formed in July 1989. Its current membership is 1,80. The society has its regional committees in Beijing, Tianjin, Changchun, Yanbian, Jilin, Harbin, and Shenyang.

In addition, it has 13 specialist committees, including the medicine, applied physics, agriculture-forestry, and materials committees, and is playing an active role in each field.

Last year, the society sponsored a 1991 international science-technology symposium and, through North Korea's participation, acted as go-between in organizing the World Joint Council of Korean Scientists and Technicians.

Presently, the society is chaired by Kang Kwi-kil, chemistry professor at Yanbian University.

—The Association of Korean Scientist Societies in Europe was established in June 1975 in Germany. It was created as a league of societies formed earlier in France, the UK and other European countries. Renamed as the Association of Korean Scientist Societies in Europe at a general meeting in May 1976, the group has been operating as a federative body both in name and reality.

The association currently consists of three societies—the Korean Scientist Society in France, and those in the UK and Germany—each embracing groups in other European regions belonging to the same linguistic sphere. For instance, belonging to the society in France are groups in Latin-language-sphere countries such as Belgium, Italy and Spain as well as France.

Since the association is made up by societies based in different countries with different languages, cultures and social customs, each component society has its own operating style. Characteristically, therefore, the association guarantees a maximum autonomy for them all.

Presently, O Yong-sok, senior researcher at the (Longue Franc) research institute and chairman of the Korean Scientist Society in France, is concurrently serving as chairman of the Europe association. His term expires at the end of 1993.

The Europe association has 1,700 members. Its annual budget is $150,000 including $60,000 in government subsidy. This means that the association relies on its own revenue sources to raise $90,000, or 150% of the government subsidy.

—The Korean Scientist Society in Germany was established in May 1973 and its current membership is over 600. The society has 10 regional branches across Germany

It also has six divisions—electricity, electronics, computer, and communications; machines; materials; civil engineering and construction; physics and chemistry; life science.

Each division meets twice a year for in-depth exchange of academic information and to help junior members determine their courses.

Unlike those in the United States, scientists in Germany are not immigrants. Therefore, except for special cases, most of the members usually return home to Korea after finishing their courses for degrees. As a result, members are largely young scientists below age 40. The present chairman is Yi Kon-chi, researcher at AEG.

—The Korean Scientist Society in Canada was created in November 1986. Presently, it has 424 registered members.

The society has 21 chapters in nine regions—Toronto, Ottawa, Montreal, Calgary, Edmonton, Manitoba Province, British Columbia Province, Saskatchewan Province, and the Atlantic provinces.

The present chairman is Mun Kwang-sun, researcher at the Canadian Institute of Mineral Energy Technology. His term expires at the end of this year.

—The Korean Scientist and Technological Society in the Confederation of Independent States [CIS] was started in July 1991; its current membership is over 1,000. Separate Korean scientist societies are operating in three republics—Russia, Kazakhstan, and Uzbekistan.

The CIS society is chaired by Dr. Georgiy Pak, vice chairman of the World Media company.

Meanwhile, the Korean Scientist and Technological societies in the Russian Federation, Kazakhstan and Uzbekistan are chaired, respectively, by Dr. Aleksei Choe, senior researcher at (Chebetmetekollozi) Institute, Dr. Ivan Pak, vice president of the Kazakhstan Academy of Sciences, and Dr. Becheslav Om, researcher at Tashkent Nuclear Physics Institute.

* Three Political Parties' Candidates Profiled

* 'Image-Making' Efforts Viewed

922C0174A Seoul HANGUK ILBO in Korean
29 May 92 p 3

[By reporters Chong Chin-sok, Hwang Yong-sik and Chong Kwang-chol: "Three Parties Shift to Election-Year Footing, Embark on Road to Presidency; Candidates Go All-Out for 'Image Making'"]

[Text] Since officially nominating their presidential candidates—Kim Yong-sam, Kim Tae-chung and Chong Chu-yong respectively—the Democratic Liberal Party [DLP], the Democratic Party [DP] and the Unification National Party [UNP] have stepped up work to upgrade in earnest their campaign systems already in operation. While structurally shifting to an election-year footing, each party is in the process of starting a variety of campaign organizations led by its presidential candidate.

At the same time, considering the fact that the three are already well- known personalities, they all seem to be working diligently to make a new candidate image of themselves that appeals directly to the feelings of the public.

DLP: The DLP, while on guard against any signs of the race becoming prematurely overheated, is quietly pushing intra-party work to consolidate its election-year footing.

It is in this context that the DLP, among other things, put off the inauguration of a "Presidential Election Planning Group" and other specific campaign strategy teams until the official transfer of the party presidency in July or August.

Consequently, while focusing on enhancing the public image of Kim Yong-sam as DLP candidate, the party is planning to induce, if possible, a "period of campaign truce" in the nation's political sphere.

Therefore, the greatest concern of the party's presidential election planning team now is how to build the voter image of Kim Yong-sam as the ruling party candidate. In this connection, Kim's aides are unanimously stressing the need for a "Kim Yong-sam" qualitatively closer to the public.

They explain that continuing quantitative P.R. strategy on a candidate who is a member of Parliament serving his ninth term and an unsuccessful candidate in the previous presidential election is meaningless. The only way to effectively play up Kim's image, they note, is for him to show through practices his policy implementation and administrative management abilities as well as his leadership to steer national politics.

To that end, the Kim Yong-sam side plans to put to work party-Administration cooperation apparatus whenever necessary, highlighting a mature Kim Yong-sam with a two-year "experience in the government party." It further plans to show the role he played in ensuring smooth operations of the National Assembly and bringing on dialogues between the ruling and opposition parties in the past, as well as his performance in negotiations on convening National Assembly sessions. Their aim is to erase the obsolete, negative image of an old-school politician and to emphasize his productive political ability.

As part of such qualitative image-enhancing efforts, Kim arranged an emergency DLP-Administration meeting on 27 May to approve a special Bank of Korea loan program to help normalize operations of investment trust firms. Also, he took steps to strengthen coordinating systems between party and Administration offices, generating a stronger sense of party-government unity and thereby facilitating more flexible responses to problems concerning the people's livelihood.

At the same time, the Kim Yong-sam side plans to fully exploit the advantage of being the ruling party candidate by reopening today the regular Chongwadae meeting, which has been suspended because of the DLP election for presidential candidate, playing up his image as next president even more specifically.

While ostensibly maintaining the appearance of a ruling party leader devoted to his official duty, not a presidential candidate engaged in an open campaign, he intends to diffuse a positive image of himself—and, in effect, bring it up to a campaign level.

What the Kim side in the DLP is saying boils down to this: While refraining from disclosing specifics of its campaign strategy for the time being, it will instead endeavor to appeal the candidate's political ability to voters in a natural way through party efforts to lay frameworks for stability in political management. (By Chong Chin-sok)

DP: The DP has been in a hurry to put its campaign system in full operation since the close of its national

convention. In fact, it had long been preparing for the 1992 race behind the scenes.

It plans to inaugurate its first "Presidential Campaign Planning Group" as soon as a reshuffle of party executive posts is over.

The Kim Tae-chung side is hoping that Co-Chairman Yi Ki-taek will thrust himself to the fore one way or another and show himself as leader of the DP campaign.

The campaign setup of the DP is likely to feature activists of the NDP [former New Democratic Party] faction to lead efforts for regional reconciliation, and to evenly distribute non-Honam personalities of the former DP faction to enhance the unity image.

At the same time, what the Kim Tae-chung camp sees as a key to overcoming regionalism for victory in the presidential election is the creation of a new Kim Tae-chung image.

In this connection, specific guidelines of conduct and P.R. plans—prepared by a planning team for a new Kim Tae-chung image led by Rep. Han Kwang-ok; Han Hwa-kap, elected to the National Assembly in the recent general election; Yu Chong-kun, chairman of the public relations committee, and Pae Ki-son, director of planning for the Executive Council—set forth all the necessary details ranging from facial makeup and proper attire to in-speech gesture as already demonstrated by Kim Tae-chung in person during his stumping in the general election.

What the DP candidate is working for through such visible external change is to appeal to voters a new Kim Tae-chung image reflecting the call of the times, erasing any ill-formed, negative image of the past.

To do so, in the final analysis, is in consistency with the DP's essential tasks to, among other things, improve its relations with forces rejecting him, including the middle class and the military, and establish a policy direction toward a centrist coalition. This is not to say, however, that the DP's campaign strategy is only devoted to "creating a Kim Tae-chung who is only soft and intimate."

What is particularly noteworthy is the DP strategy of drawing a line between the two Kims. Inasmuch as the upcoming presidential election will after all be a showdown between the two Kims, Kim Tae-chung is expected to devote all his energies to highlighting what sets him apart from Kim Yong-sam by playing up his strong points to the maximum while erasing any negative image of himself.

According to the DP strategy, Kim Tae-chung will focus on issues dealing with the economy and economic problems of the public, prices in particular, and present his visions in all policy areas, major and minor, including disarmament, national reunification, diplomacy, education and women's rights, and by doing so will, through television debates and other open forums, show a true Kim Tae-chung to the public insisting in effect that "this Kim is different from the other Kim." (By Hwang Yong-sik)

UNP: The judgement of the UNP is that its candidate is weaker than the other two in terms of solid support base but has "vast" grassroots yet to be worked at. Since Chong Chu-yong entered the political world, especially the presidential race, belatedly, he is indeed behind the two Kims in the number of "loyal votes" but this, the UNP insists, in turn means that he has that much more potential grass-roots support.

The UNP, especially, believes that at a time when the democracy versus anti-democracy confrontation has faded, giving way to the increasing economic woes, the possibility is high of Chong Chu-yong, as a candidate well versed in object economy and with strong leadership, emerging as alternative to the established politicians. It acknowledges, however, that he is a fresh-man politician in a land of conservative voter propensity, a fact which it thinks can hardly promise a "popularity equal vote" prospect.

Therefore, with a view to seeking out grassroots uninfluenced by the two Kims and winning them over, the UNP plans an all-out campaign playing up the candidate's political image. While making economic reconstruction a centerpiece of its P.R. strategy, the party will present Chong's visions for other areas, too, including the political, social, cultural and educational.

To that end, the UNP will, according to plans already prepared, take issue with economic policies of the Sixth Republic in the National Assembly, newspaper advertisements and various seminars, simultaneously presenting its own rational, feasible policies on a continuous basis.

In strategy for non-economic areas, the UNP will show its overall vision, presenting itself as a "party of policy," and, at the same time, highlight Chong's personal concerns for each area to enhance his image as a political leader.

For such change in the image of Chong, the UNP is studying ways and means to make opportunities for the candidate to expose himself more frequently to the public. Also, considering the fact that Chong is a man quick at repartee, it is also studying plans for joint television debates participated in by the three candidates.

Meanwhile, considering the possibility of Chong's age becoming an unexpected factor of a shrunk vote, the UNP plans to have the candidate show off his good health to people by showing them, for instance, how he takes exercise.

The UNP also plans to demonstrate its strength at the major-city and provincial chapter reorganizing conventions scheduled for June and steer the presidential race into a "close" three-way contest of the DLP, DP and UNP. (By Chong Kwang-chol)

* Financial Profiles

922C0174B Seoul CHUNGANG ILBO in Korean 3 Jun 92 p 3

[By reporter Chon Yong-ki: "A Look into the Candidates—Three Ways of Money Management"]

[Text] The way one earns and/or spends one's money reflects the person's lifestyle. The "money matters" concerning the three presidential candidates, a highly confidential domain indeed, offer a clue to their hidden human aspects and behavioral patterns.

A trait common to the three is that they live frugally. The residence of Kim Yong-sam, DLP presidential candidate, at Sangdo-tong, Seoul, has been put to no major maintenance work in the past 24 years. This recently caused the antiseptic tank to leak a foul smell, forcing a hurried repair by digging the front yard.

Kim Tae-chung, DP presidential candidate, had also lived in an old public-housing-type home for more than 20 years until he tore it down and built a new one in 1986. Still, the new house only compares to that of an upper middle class.

Chong Chu-yong, UNP presidential candidate, is tight-fisted, too. In the course of the 24 March general election, a woman UNP member was shocked to see traces of repair on the knee portions of his suit pants. Needless to say, their frugality is not because of a lack of money. The truth is that they must be conscious of the public's eyes all the times or have estranged themselves from an extravagant, noble way of consumption while engrossed in money making, without their knowing it.

But when it comes to spending money for political purposes, each candidate has his style. Kim Yong-sam's style is "go ahead and spend it if you have—and do without spending if you don't." Also, it is said that he exhibits absolutely no signs of concern even when there is no money to spend, a fact showing that he is not a calculating-type person. One day toward the very end of his 1987 presidential campaign, he hosted a luncheon for hundreds of supporters in Sosan, South Chungchong Province; after the luncheon, he found out that he had no money to pay the bill for the short-rib soup and rice amounting to 2 million won [W]. So, he paid the restaurant, which he used for the first time, with an IOU.

It was in those days when he ran out of contributions and had to sell his Seoul Country Club membership worth about W50 million.

Like this, he is not a careful-type person with money, a trait of his character in part attributable to his family background. He grew up with no worries about money as the only son of a wealthy fishery owner, Kim Hong-cho, 82. Until the early 1970's, contributions from his father accounted for significantly large portions of his political funds.

It is said that by the time he settled down in the present Sangdo-tong residence in 1968, he had sold four houses—which his father bought for him—one by one, mostly to finance his election campaigns. He is a typical Korean politician in that he has never, not even once in his life, "worked to earn money" by trying his hand in a business or saving his salaries. To him, money is always a thing that comes and goes.

Kim Tae-chung was born a second son to a tenant farmer, who had three other sons and two daughters. He grew up in poverty like all other ordinary people in those days. In his young days, he once served as head of the MOKPO ILBO and Hungguk Shipping companies, displaying his unique business talent. Once he recalled that his "most miserable days" came in the 1950's and he was defeated in four National Assembly elections over 10-odd years.

He had to often endure hunger. He was in his twenties when one of his sisters was dying of a heart disease and the family was unable to do anything about it because of poverty. His first wife, who shared the hard days with him supporting his political career, died amid the same poverty. Furthermore, he was always subjected to oppression by authorities seeking to expose his weakness.

Perhaps because of his political career plagued by such poverty and harsh repression, he controls strictly in person all the major finances, entrusting them to no one. Meanwhile, according to another story, his eldest son, Hong-il, has been involved in the financial management to some extent since the mid-1980's.

Until recently, when paying bills for food or things like that, he had been seen taking out money from his purse and counting, instead of letting a secretary take care of it. During his 1987 presidential campaign, reporters even saw him paying free way tolls by himself.

When it comes to money, Kim Tae-chung is a saving type, always putting away some for rainy days. In running the opposition party, a virtual "private party," he is said to draw a clear-cut line between party money and his own, always putting away his separately. As a result, they say, even after a general or presidential election, he usually has some money left more often than not. Those who know him well are unanimous in saying that it can be safely said of him that even when there is no money in the party coffer, Kim Tae-chun himself has his financial resources to stage a comeback in any emergency.

In 1988, when his party (the former Party for Peace and Democracy) became the No. 1 opposition party after the 1987 presidential election, Kim Tae-chung showed his interests in a stock market pump-priming plan by, among other things, paying a visit to the market. This gave rise to allegations that he was trying to invest "remaining funds" from the elections in stocks for profits.

The money-spending style of Chong Chu-yong, the candidate from chebol [conglomerate], is an entrepreneur type. He puts his money only where it yields a profit. He boasts that not even once in his life has he put himself in a losing business. Even in the last general election, in cases of potentially successful candidates, his funding support was "amazingly large"; otherwise, the reverse was the case, causing disappointed candidates to cry out "I should have known better."

In the same general election, he even "invested" in independent candidates likely to be elected rather than

in mediocre ones of his own party by passing them "huge amounts of deposit." Now, some of the independents thus elected are now reportedly in agony trying to determine their political courses.

While he pays UNP personnel a little more than the DLP does to its officials but their working hours is at least 50% longer. The intensity of work is high, and all reports must be written on both sides of the paper. They are required to be diligent and frugal.

Chong had used to say that "people I dislike most are politicians. Because they do not work for themselves. They are parasites living on money collected from other people."

There are vast differences between the three candidates in the size of their assets, too. Chong's are so astronomically massive that he himself hardly knows the exact details, while the worth of the two Kims are at least W1 billion each.

Kim Yong-sam's home at Sangdo-tong, Seoul—an 85-pyong, two-story western-style house on a 102-pyong lot—is worth W400 million. Also registered in his name are 11,000 pyong of rice fields and 26,000 pyong of forest land on Koje Island, his native place. Besides, he owns a fishery facility (anchovy drying ground) of some 1,000 pyong in Changwon. The Kim Yong-sam side estimates the total worth at W1 billion.

In addition, he owns a stationary-net fishing right worth W100 million, and his wife, Son Myong-sun, a 46-ton steel vessel (worth W50 million). Meanwhile, his father has six fishing boats, which can safely be included in his assets. All in all, he owns approximately W2 billion in real estate.

Kim Tae-chung's home in Tonggyo-tong, Seoul, consisting of a 45-pyong western-style flat and a 20-pyong two-story annex on a 153-pyong lot, is worth about W650 million. Besides, he owns 900-pyong of forest land in Hwasong County, Kyonggi Province, worth about W100 million. Registered in his wife's name, Yi Hui-ho, is a 102-pyong factory site in Yongdunggpo-tong, Seoul, currently under lease for W2 million in monthly rent. He also owns some 30 items of valuable art objects such as paintings and calligraphic works. Altogether, he is worth W1 billion at least.

In Chong Chu-yong's case, his private property alone is estimated at W3 trillion or so. He is said to have readied W500 billion to W800 billion in cash for his political career. Checks used for funding the latest general election carried 1990 or 1991 dates, to the surprise of many. Large portions of his assets are registered in other persons' names.

Chong's 100-pyong, two-story western-style home, standing on a 250-pyong lot in Chongun-tong, one of the most fashionable residential areas at the foot of Mt. Inwang, is worth W3 billion in offered prices.

While Chong can afford to finance his campaign entirely with his own disposable funds, the two Kims have to rely on supporters for contributions. While Kim Yong-sam's switch to the ruling camp had the effect of positioning him more favorably for financial contributions, he is likely to benefit also from relationships with big businesses fostered in the course his parliament activities over a long period of time.

In contrast, Kim Tae-chung gets relatively larger financial support from small enterprises than from big businesses. Also, "small but multiple" contributions are expected from DP legislators and wealthy reserve politicians.

Popular among people close to the two Kims is an interesting yardstick to weigh their characteristics. Aides for Kim Yong-sam say that they can smell it right away when political money has found its way into his purse. But Kim Tae-chung's aides say that in the their boss' case, they would never get even the slightest hint of it. It clearly indicates, they say, the difference in character between the two Kims.

Assets of the Three Presidential Candidates at a Glance:

Kim Yong-sam: size of property—approximately W2 billion in house at Sangdo-tong, forest land, fishing boats, etc.; source of campaign funds—contributions from big businesses; spending style—free and generous; management style—entrusting to aides.

Kim Tae-chung: size of property—W1 billion at least in house at Tonggyo-dong, some real estate; source of campaign funds—contributions from small enterprises; spending style—rational, deliberate; management style—direct, personal control.

Chong Chu-yong: size of property—W3 trillion in house at Chongun-tong, securities and real estate; source of campaign funds—self; spending style—concentrated investment; management style—systematic control.

Burma

Exile Government Sets Terms for Reconciliation

BK2907112992 (Clandestine) Democratic Voice of Burma in Burmese 1430 GMT 28 Jul 92

[Statement of National Coalition Government of the Union of Burma on the second anniversary of the 1990 elections; dated 27 May 1992]

[Text] It has already been two years since the holding of the multiparty democratic general elections in 1990. In that election, the National League for Democracy [NLD], led by national leader Daw Aung San Suu Kyi, won a landslide victory, winning in 392 out of 485 constituencies. The NLD and elected NLD representatives held a meeting at Mahatma Gandhi Memorial Hall in Rangoon on 28-29 July 1990 and made a declaration containing the following demands:

1. The convening of parliament in September 1990;
2. The release of Daw Aung San Suu Kyi and all political prisoners;
3. The abolition of all oppressive laws and granting of full democratic rights.

The State Law and Order Restoration Council [SLORC], ignoring the demands of the Gandhi Declaration and the people's desires which were expressed in the 1990 elections, still continues to refuse to transfer power to the elected representatives. Daw Aung San Suu Kyi and other prominent opposition leaders have not been released up to this day. The release of a few political prisoners among thousands that were arrested since the SLORC took power in 1988 is a deceptive act by the military regime. The SLORC's declarations to convene a national convention within six months and to hold discussions with elected representatives of political parties and independents are also SLORC political ploys which are difficult to accept. We do not believe these political ploys will be able to solve Burma's main political problems.

The SLORC must implement the following if it has a sincere desire to reestablish genuine national reconciliation in Burma and to solve the political problems with alacrity.

1. Release unconditionally Daw Aung San Suu Kyi and all political prisoners as soon as possible;
2. Transfer power as soon as possible after granting full recognition to those who were elected representatives at the 1990 elections;
3. Unconditionally revoke martial law and other unjust laws;
4. Halt the civil war and hold discussions equally with all revolutionary forces;
5. Guarantee human rights and democratic rights.

The National Coalition Government of the Union of Burma will continue its struggle in cooperation with the entire populace, which comprises all the national races, for the emergence of a genuine democratic government and for the creation of a federal union, which guarantees equal rights and autonomy for all national races.

[Signed] The National Coalition Government of the Union of Burma

Australian Senator Visits, Meets Officials

'Frank Talks' With Foreign Minister

BK2807142892 Rangoon Burma Television Network in Burmese 1330 GMT 28 Jul 92

[Text] U Ohn Gyaw, minister for foreign affairs, received Senator Christopher Schacht, chairman of the Australian Parliament Committee on Foreign Affairs, Defense, and Trade, who is currently in Burma, at the minister's office at 1500 today. Present at the occasion were Mr. Geoffrey Charles Allen, ambassador of Australia; U Aye, director general of the Political Department, Ministry of Foreign Affairs; and responsible personnel.

It has been learned that cordial and frank talks on bilateral relations were held.

Meets Trade Minister Abel 29 Jul

BK2907144192 Rangoon Radio Burma in Burmese 1330 GMT 29 Jul 92

[Text] Senator Christopher Schacht, chairman of the Australian Parliament Committee on Foreign Affairs, Defense, and Trade, who is currently in Burma and accompanied by Australian ambassador Mr. Geoffrey Charles Allen, called on Brigadier General Abel, minister for planning and finance and for trade, at the trade minister's office at 1500 today and held cordial and frank talks on bilateral economic and trade matters.

Present at the occasion were Brigadier General Win Tin, deputy minister for planning and finance; U Win Naing, deputy minister for trade; and responsible personnel from the Ministry of Planning and Finance and the Ministry of Trade.

Meets Election Commission Members

BK2907152392 Rangoon Radio Burma in Burmese 1330 GMT 29 Jul 92

[Text] Senator Christopher Schacht, chairman of the Australian Parliament Committee on Foreign Affairs, Defense, and Trade, who is currently in Burma, called on U Ba Htay, chairman of the Multiparty Democratic General Elections Commission, and members U Saw Kyar Doe, U San Maung, Saya Chai, and U Kyaw Nyunt at the Multiparty Democratic General Elections Commission office at 94 Natmauk Road, Bahan Township, at 1000 today. The senator was accompanied by Australian ambassador Mr. Geoffrey Charles Allen and Second Secretary Mr. J. Robinson. Commission Secretary U Aye Maung was present on the occasion.

It is learned that cordial and frank talks were held on matters relating to the general elections, bilateral friendship, and goodwill.

Brunei, Malaysia & Singapore

Malaysia

136 Vietnamese Repatriated Under UNHCR Program

BK2907092192 Kuala Lumpur BERNAMA in English 0853 GMT 29 Jul 92

[Text] Kuala Lumpur, July 29 (OANA/BERNAMA)—A total of 136 Vietnamese boat people left for home under the United Nations High Commissioner for Refugees (UNHCR) sponsored voluntary repatriation programme Wednesday and more are expected to do the same.

With the departure, 1,284 Vietnamese have left the country voluntarily since 1980. Wednesday's departure, which was divided into two batches, is the biggest so far.

National Task Force on Refugees Director Maj-Gen. Sulaiman Kudus said 601 refugees had left the country voluntarily so far this year compared with 335 for the whole of last year and 295 in 1990. More were expected to leave as they were now more aware that the political situation was becoming more liberal and the economy there was improving, he said.

Sulaiman said Prime Minister Dr. Mahathir Mohamed's visit to Vietnam in April and the visit by the Vietnamese Prime Minister Vo Van Kiet in January had resulted in better co-operation from the Vietnamese immigration department to help in the repatriation exercise.

He added that the Orderly Departure Programme under the International Organization for Migration, (IOM), which allowed non- political refugees to migrate from Vietnam had encouraged many to return home and try their luck under the programme.

Meanwhile, UNHCR representative Shamsul Bari told reporters that the refugee problem in Malaysia was very much under control. He said about 10,000 refugees were still in Malaysia and about 3,000 of them were considered political refugees would be resettled in third countries. The rest would have to go home.

Convincing these people to return home was no easy task but so far this had been made possible with co-operation from the Malaysian Government, the National Task Force, IOM and the Malaysian Red Crescent Society.

Hurd Says UK Has No Reservations About EAEC

BK2907141092 Kuala Lumpur Radio Malaysia Network in English 1330 GMT 29 Jul 92

[Text] British Foreign Secretary Douglas Hurd said his country has no reservations about Malaysia's proposal for an East Asia Economic Caucus, EAEC. He said Prime Minister Datuk Sri Dr. Mahathir Mohamed, whom he met yesterday, had explained that the EAEC was not a restrictive trading bloc but was compatible with the principles of the General Agreement on Tariffs and Trade, GATT.

Mr. Hurd said on behalf of his country he would say Britain has reservations about the proposal and it is clear that it does not amount to a restrictive trade bloc and it is compatible with everybody's obligations as the GATT. Mr. Hurd was speaking at a news conference after delivering a lecture at the Institute of Diplomacy and Foreign Relations in Petaling Jaya.

Mr. Hurd, who is on a 2-day visit after attending a meeting of dialogue partners of ASEAN in Manila, said his visit to Malaysia was exceptionally pleasant and productive.

Cambodia

People's Party Congress Adopts Resolutions

BK2907144392 Phnom Penh Samleng Pracheachon Kampuchea Radio Network in Cambodian 1300 GMT 29 Jul 92

["Resolutions of the extraordinary national congress of the Cambodian People's Party"; dated 29 July—read by announcer]

[Text] The extraordinary national congress of the Cambodian People's Party [CPP] was held on 28 and 29 July 1992 with the participation of 623 delegates from 21 parties from provinces and municipalities; 24 parties from ministries, services, and establishments under the Central Committee; 170 parties from precincts and districts; village and ward parties nationwide; and representatives from the CPP branches of Cambodian residents in Australia, France, Singapore, and Belgium.

After detailed discussions, here are the resolutions of the congress:

1. The congress unanimously agreed on the assessment of the Cambodian situation during the implementation of the Paris agreement and future goals of the CPP Central Committee by considering this as an important political task of the entire party and people to continue implementing the political platform of the CPP set forth at the party's extraordinary national congress in October 1991 for the cause of peace, national reconciliation, democracy, and national rehabilitation and development.

2. The congress unanimously adopted the report on the essence of amendments to a number of points of the CPP's statute. The congress agreed with the current amendment of some chapters and articles of the party's statute—particularly the alteration of the party's emblem by replacing the white pigeon in the middle with a five-tower temple, and granted the right to the Standing Committee of the Central Committee to determine a new emblem when necessary; and the change of

the party's acronym from KOR-BAR-BAR-PHA [Cambodian alphabets] to PRA-CHOR [Cambodian letters and alphabet]—shows the responsible spirit of our CPP in carrying out its duties as a major party to the Paris agreement and a preparation to compete in the forthcoming election in the spirit of the agreement.

3. Starting from the requirement of the duty to lead the party in the new situation, the congress elected 19 members of the CPP Central Committee, raising the number of party Central Committee members to a total of 75.

4. The congress agreed with the resolutions of the 17th plenum of the party Central Committee, which was held on 29 July 1992 under the chairmanship of His Excellency [H.E.] Chea Sim, chairman of the party, and achieved the following:

— Elected Prince Norodom Chakkrapong and H.E. Kong Sam-ol as Standing Committee members of the Central Committee;

— Voted to amend the composition of the Control Commission of the party Central Committee by appointing Um Sarit and Thong Thin as members of the Control Commission replacing H.E. Say Chhum and Men Sam-an, who cease to be members of the Control Commission;

— Elected and appointed the Financial Commission of the party Central Committee which consists of three members with H.E. Chea Soth as chairman.

The congress hands over to the party Central Committee the task to disseminate the results and implement the resolutions of the current congress by making efforts to translate this into concrete activities within the entire party and society.

[Dated] Phnom Penh, 29 July 1992

Hun Sen Views Khmer Rouge Accord Noncooperation

BK3007081092 Phnom Penh SPK in French 0436 GMT 30 Jul 92

[Text] Phnom Penh 30 Jul (SPK)—Mr. Hun Sen, chairman of the Council of Ministers of the State of Cambodia, reaffirmed that the Khmer Rouge's demand for the dissolution of the incumbent government is running counter to the Paris peace accord and that right of veto should not be given to them.

At a ceremony to confer diplomas on 340 students of the Economic Institute in Phnom Penh, Chairman Hun Sen, who is also a member of the Supreme National Council, emphasized:

Elections will take place as scheduled. But there are two possibilities, that is with the participation of the Khmer Rouge or without the Khmer Rouge. Should the Khmer Rouge not participate, we could brand them as bandits.

Chairman Hun Sen extolled cadres, staff members, and professors at the institute for having performed their tasks well and the students for their successes.

The institute, which has already bestowed degrees on 538 students so far, is made up of 50 professors, including six who have completed their studies on market economy in France, four from the Asian Institute of Technology, and two from the United States. Later, other professors will go and continue their studies in France and Australia and at the Asian Institute of Technology.

Work is underway to expand study rooms, but the institute now lacks computers, laboratories, and a library.

Khmer Rouge Deny Massacre of Vietnamese

BK3007024192 (Clandestine) Voice of the Great National Union Front of Cambodia in Cambodian 2330 GMT 29 Jul 92

["Denial by the Spokesman of the National Army of Democratic Kampuchea of the Massacre of Ethnic Vietnamese at Tuk Meas Village in Kampot Province"—date not given; read by announcer]

[Text] I. According to a report from a spokesman of the UN Transitional Authority in Cambodia called UNTAC, a group of 30 armed persons massacred eight ethnic Vietnamese at Tuk Meas Village in Kampot Province on 21 July. The spokesman said the identity of the group has not yet been determined.

Later, various radio broadcasts—including Voice of America—and newspapers concluded that those who had massacred the Vietnamese at Tuk Meas village were soldiers of the Phnom Penh faction. They confirmed that it was the Phnom Penh faction's soldiers who had killed the ethnic Vietnamese because the killing took place near a position held by the Phnom Penh soldiers.

II. Hanoi Radio, in a report on the massacre, blamed the National Army of Democratic Kampuchea [NADK]. In the wake of the accusation broadcast by the radio, the Phnom Penh faction made the same accusation.

III. The NADK spokesman totally and categorically rejects those accusations.

IV. The NADK spokesman wishes to make the following remarks and clarifications:

1. Tuk Meas Village is adjacent to the Tuk Meas seat. Therefore, it is in the region under the control of the Vietnamese aggressors and the Phnom Penh faction. No NADK troops have been stationed in this seat or its environs.

2. The Phnom Penh faction's Cambodian soldiers in the Tuk Meas township and other places, mainly in the eastern region of Cambodia, are in serious and fierce conflict with the Vietnamese aggressors and their lackey puppets. The conflict ensues from the following motives:

A. These soldiers have been forced by the Vietnamese aggressors and their lackey puppets to serve as soldiers and to die in their place.

B. They have ceaselessly been forced by the Vietnamese aggressors and puppet leaders to raid villages and communes to kill the people and plunder their property.

C. They have not received their salaries for four or five months so far. The Vietnamese aggressors and Phnom Penh faction recently paid them a one-month salary, but the bank notes received cannot used because they are no longer acceptable—all transactions are now conducted using gold or dollars. That being the case, the Phnom Penh faction's Cambodian soldiers [words indistinct].

D. The absolute majority of the Cambodian soldiers is comprised of children of the inhabitants in Kompong Trach, Tuk Meas, and Kirivong District, which border Vietnam. The Hanoi Vietnamese have moved their bounderies many kilometers deep inside these three districts by digging a new (Vinh Te) river. Plots of land of the people in general and of the parents of those Cambodian soldiers are misappropriated by the Vietnamese. The Hanoi Vietnamese have not only trimmed the Cambodian soil and turned it into their own, but have also dispatched thousands of Vietnamese nationals to Cambodia to plunder fish and cattle; they have also felled trees—including young trees such as Kra Buoy and Anh Chanh—and then shipped them to Vietnam for use as cooking wood. They came to rob and plunder everything in the three districts. The people there are living in misery; they have even collected and kept excrement from oxen and buffaloes for cooking their meals, and so on.

It is these events that make those people—young and old, male and female alike—furious with the Vietnamese aggressors, troops, settlers, and nationals who cross the border to plunder [words indistinct] everyday. The indignation of the people in general has turned into the anger of their children, who themselves have been forced by the Vietnamese aggressors and puppet leaders to serve as soldiers and die in their place. As such, the Cambodian soldiers, with outrage at the Vietnamese aggressors' systematic plundering of their parents and relatives, have become impatient at the Vietnamese aggressors' expansion and annexation of their land and villages.

The situation concerning the people's outcry against the Vietnamese aggressor expansionists and annexationists is widespread all over the country, especially in the eastern region adjoining the Vietnamese border. The fury of the local people and Cambodian soldiers is extremely fierce at present.

Khieu Samphan Letter to Akashi on Foreign Forces

BK3007063192 (Clandestine) Voice of the Great National Union Front of Cambodia in Cambodian 2330 GMT 29 Jul 92

[Letter from Khieu Samphan to Yasushi Akashi, dated 24 July]

[Text] His Excellency [H.E.] Khieu Samphan, head of the Party of Democratic Kampuchea [PDK] and member of the Supreme National Council [SNC], sent another letter to H.E. Akashi, special representative of the UN secretary general and head of the UN Transitional Administration in Cambodia [rathaka bandaoh asan angka saha pracheacheat neou kampuchea] [UNTAC] on 24 July. This letter is in response to H.E. Akashi's statement on foreign forces and nationals in Cambodia. The following are its contents:

His Excellency, the special representative: You made a statement on foreign forces and nationals at the SNC meeting on 23 July 1992. In the statement:

1. You thanked the Vietnamese Government for its statement reaffirming that Vietnamese forces were already withdrawn from Cambodia between 17 January 1982 and 26 September 1989; that Vietnam no longer had any troops, weapons, or war materiel left on Cambodian soil; and that Vietnam has not, under any appearances, sent armed forces and war materiel back to Cambodia.

On this important issue, the PDK, however, regrets to be obliged to reaffirm that Vietnamese forces, disguised as civilians or soldiers or officers of the Phnom Penh army, have continued to launch military operations against the Cambodian people and the PDK's forces, with the aim of further occupying and controlling Cambodia. Vietnamese advisers have continued to lead and run affairs in Cambodia via the Phnom Penh regime. Therefore, for the Cambodian people, the word foreign forces undoubtedly means the Vietnamese aggressor forces, which have not been withdrawn from Cambodia.

2. You have asked the PDK to provide proof of the presence of foreign troops and forces. On this issue, the PDK does not think the evidence should be given unless the SNC has sufficient power and means as the sole legitimate body and source of authority in Cambodia, according to the Paris accord. Only when the SNC is closely and effectively cooperating with UNTAC, will the identity and whereabouts of the Vietnamese forces be revealed to the UNTAC and SNC by the Cambodian people. Nonetheless, as long as the so-called State of Cambodia's Government continues to exist, the Cambodian people and the SNC have no authority and means to provide the UNTAC with the evidence. Once again, I would like to tell you that the Cambodian people know the hideouts of the Vietnamese and how they have disguised themselves.

3. You said civilian foreign workers and nationals in Cambodia cannot be regarded as foreign forces. I would like to note that the issue of the foreign workers and nationals who are subjected to ordinary laws and regulations, is different from that of the Vietnamese settlers. As for the Vietnamese settlers, they are part of the plan to Vietnamize Cambodia and the Indochinese federation strategy of the Hanoi Vietnamese. As such, this issue should be appropriately resolved, as it grossly violaties

Article 49 of the Geneva 12 August 1949 Convention on the Protection of Civilians in Wartime.

I would like to point out to you that Vietnamese settlers are neither ordinary Vietnamese nationals who have come to do business in Cambodia nor are they the generally known refugees.

4. You said those who are attempting to instigate the people against any group of foreigners for whatever reason, are affecting the peace process in Cambodia. On this issue, I agree with H.E. Son Sann, who, in the presence of the SNC, stated: Our demand that the Vietnamese leave Cambodia is to safeguard the Cambodian nation and keep the Vietnamese aggressors at bay. We cannot be accused of being racist.

I would like to reaffirm to you that the PDK, which is a signatory of the Paris accords and the convention on the abolition of apartheid, has steadfastly adhered to the accord and convention. We demand that other signatory countries also scrupulously respect the accord and convention. Our present concern, as you already know, is to have the Paris accord, specifically the two key provisions—including the verification of the withdrawal of all categories of foreign forces from Cambodia and their nonreturn, and the vital role of the SNC as the unique legitimate body and source of authority in Cambodia—be correctly and impartially implemented.

To date, despite our just and appropriate proposal of 12 July 1992 to promote the peace process, we have not yet seen any measures taken to solve the situation.

Your Excellency, please, accept my highest considerations.

[Dated] 24 July 1992

[Signed] Khieu Samphan, head of the PDK and SNC member.

Indonesia

Spratlys Claimants Urged To Act With Restraint

BK2907111792 Jakarta ANTARA in English 1006 GMT 29 Jul 92

[Text] Jakarta, July 29 (OANA-ANTARA)—Indonesia expected all countries which lay claim to the Spratly Islands to act with restraint after China's decision to postpone the implementation of its maritime law which encompasses their claims on the Spratly Islands, said Foreign Minister Ali Alatas here Wednesday.

"Indonesia expects all countries involved in the Spratly issue not to change the existing status quo," Minister Ali Alatas told journalists after reporting results of the ASEAN ministerial conference held in Manila to President Suharto.

Apart from China, Malaysia, Japan, the Philippines, Brunei Darusallam, Vietnam, and Taiwan have all filed claims to Spratly Islands.

While working for the most acceptable solution to the soverignty issue, Minister Alatas urged the disputing countries to cooperate together by launching environmental preservations programmes and a feasibility study of the oil and gas reserves of the islands.

Touching on Iraqi President Saddam Husayn's statement not to attend the tenth NAM [Non-Aligned Movement] summit in September in Jakarta, Alatas said that he has only heard it from newspapers and cannot confirm the report. President Saddam Husayn told Indonesian special envoy Trade Minister Arifin Siregar recently that he could not attend the Tenth NAM Summit in September in Jakarta as his country is facing the United Nations air embargo.

Suharto Receives Singapore Defense Chief

BK2907131792 Jakarta Radio Republik Indonesia Network in Indonesian 1200 GMT 29 Jul 92

[Text] President Suharto has expressed satisfaction over the achievements made by Indonesia and Singapore in their joint efforts to eradicate piracy in the Straits of Malacca. Following his meeting with President Suharto at Merdeka Presidential Palace today, Singapore's Chief of Defense Force Major General Ng Jui Ping said that Indonesia's Navy recently nabbed several pirates and increased joint patrols can overcome the piracy problem faster.

Meanwhile, responding to newsmen, Indonesian Armed Forces Commander General Try Sutrisno reiterated that there is no need to deploy an external force in an effort to curb piracy in the Straits of Malacca. Each nation is capable of handling the problem individually or through bilateral cooperation within the region.

During the meeting, Maj. Gen. Ng and President Suharto discussed significant issues related to long-term security in the Southeast Asian region.

Radio Reports on 18 Fishermen Freed by Australia

BK2907153392 Jakarta Radio Republik Indonesia Network in Indonesian 1500 GMT 29 Jul 92

[Text] The Australian Government recently released 18 Indonesian fishermen from Merauke, Irianjaya who violated the country's territorial waters while conducting illegal fishing activities. In his clarification in Jayapura, Merauke Political Department Chief Alex Suyono said the 18 fishermen were caught while conducting illegal fishing activities in Australian waters. The fishermen, who were from Cilacap, Central Java were employed by a fishing company in Merauke.

According to Alex Suyono, six of the 18 Indonesian fishermen who were released were transmigrants from a transmigration center in Merauke.

Laos

President Receives DPRK Friendship Group

BK3007031992 Vientiane Vitthayou Hengsat Radio Network in Lao 1200 GMT 29 Jul 92

[Text] This morning at the party chairman's guest house in Vientiane, Kaysone Phomvihan, chairman of the Central Committee of the Lao People's Revolutionary Party and president of the Lao People's Democratic Republic, received a courtesy call from Yi Chol-pong, DPRK minister of city management and chairman of the Korea-Laos Friendship Association.

The meeting and conversation between the host and the guest proceeded in an atmosphere of friendship and good will. Kaysone Phomvihan hailed Yi Chol-pong and his party for paying the visit to Laos to strengthen the solidarity between the parties, governments, and peoples of Laos and Korea. President Kaysone Phomvihan conveyed his greetings to Kim Il-song, chairman of the Workers Party of Korea Central Committee and DPRK president.

The chairman of the Korea-Laos Friendship Association seized the opportunity to express his gratitude and thanks to the Lao party, government, and people for wholeheartedly supporting the cause of the just struggle of the Korean people for the peaceful reunification of their country.

Defense Ministry Marks Chinese PLA Anniversary

BK3007022192 Vientiane Vitthayou Hengsat Radio Network in Lao 0000 GMT 30 Jul 92

[Text] On the evening of 28 July, the National Defense Ministry held a meeting to hear a lecture on the 65th founding anniversary of the Chinese People's Liberation Army [PLA] at the Army General Political Department meeting hall.

Attending were Lieutenant General Ai Souli-gnaseng, member of the party Central Committee, deputy national defense minister, and director of the Army General Political Department; Comrade Somphet Thitmala, member of the party Central Committee and director of the Army General Logistics Department; comrades deputy directors of the Army General Political Department; many senior and intermediate-level military officers; and several hundred officers and soldiers attached to the National Defense Ministry.

Comrade Colonel Li Laichen, PRC military attache to Laos, gave the lecture at the meeting, clearly explaining the PLA's glorious achievements in intensifying its great role in national liberation, defense, and construction in the past. The comrade noted that under the new conditions, the PLA's qualitative modernization in both the military and political fields was important. Therefore, attention must be paid to consolidating and simplifying its organization to become a strong regular force. In conclusion, the comrade reiterated that in the new period, the long-standing tradition of solidarity between the armies and peoples of Laos and China will be further developed and strengthened. As PRC military attache, he said he would strengthen his role as a link in this relationship.

After the end of the lecture, the audience watched a documentary on the tradition, the building and consolidation of strength, and the contributions of the PLA to national defense and construction.

Official Concerned at Environmental Degradation

BK2907132892 Vientiane KPL in English 0910 GMT 29 Jul 92

[Text] Vientiane, July 29 (KPL)—The past serious forest destruction is causing changes to environment in the country, said Mr. Noukon Simmavong, director of the Environment Protection Organisation, Ministry of Agriculture and Forestry, in an interview to VIENTIANE MAI newsman yesterday.

He mentioned some examples of environmental problems. In the northern part of the country, soil erosion is very serious, on average, soil erosion in a given area of one hectare is between 16-18 tons a year. This leads to soil degradation and unbalance, a fall in agricultural output, and drying up of rivers and streams.

Concerning the drying up of rivers and streams, the navigation on Nam Ou River between Nam Bak and the northernmost Phong Saly Province in the past were possible whole year round but not it is so only in the rainy season. The generation of electicity at Nam Dong power station in Luang Prabang during March and June is now possible only one hour a day. Nowadays the Nam Ngum Dam operates only two turbines out of the total four due to the low level of the water in the Nam Ngum reservoir.

Accordingly, the organisation is planning to collect data in a bid to find solution to these problems.

Mr. Noukon Simmavong further pointed out that Nong Chan, a marsh in the heart of Vientiane capital, became dried up and polluted since it gathered waste from the communities in the capital. In this connection, the organisation has installed equipment to collect data and information on waste water under the project of marsh allocation and use and aquatic animal preservation.

Trade Union Issues Instruction on Congress

BK2907122392 Vientiane Vitthayou Hengsat Radio Network in Lao 0000 GMT 29 Jul 92

["Instruction" issued by the Federation of Lao Trade Unions Central Committee to executive committees of trade unions of all provinces, municipalities, branches of service, and grass-roots movements throughout the country on preparations for third nationwide trade union congress—dated 24 July 1992]

[Text] Implementing Resolution Nos. 5 and 19 of the Lao People's Revolutionary Party Central Committee Political Bureau on the granting of authorization to the

Federation of Lao Trade Unions [FLTU] Central Committee to make arrangements for the convening of its congress and on the appointment of a committee in charge of preparing for the congress; to translate into reality the resolution of the fifth party congress in order to encourage and boost the movements of trade unions at various levels to score achievements to welcome the third nationwide trade union congress so as to make it filled with profound significance and contents; to publicize the resolution of the fifth party congress through lectures to cadres, trade union members, state employees, workers, and laboring people of Laos to enable them to acknowledge and further understand the position, roles, duties, and interests of the trade union organization; and to encourage all economic, cultural, and social sectors and people of all strata to make material and spiritual contributions to the third nationwide trade union congress, the FLTU Central Committee, in collaboration with the committee in charge of making preparations for the congress, has therefore issued an instruction to the trade union executive committees of all provinces, municipalities, branches of service, and grass-roots organizations throughout the country to score achievements, under different forms, to welcome the congress with the following contents:

1. After holding their congresses, trade unions of various provinces, municipalities, branches of service, and grass-roots movements are instructed to organize to carry out concrete movements to translate into reality resolutions adopted by their congresses.

2. For trade unions of those provinces, municipalities, branches of service, and grass-roots movements that have not yet held their congresses, they are instructed to launch movements to make preparations for the convening of their congresses. If the situation or conditions in their localities do not permit, they are then instructed to hold meetings of cadres and union members to review past activities and select delegates to participate in meetings at higher levels.

3. Organize lectures on the position, roles, duties, and interests of the trade union organization and publicize the draft political report, revised rules and regulations, and draft law on rights of trade unions to the cadres and union members so that they can contribute views on the contents of the draft political report, revised rules and regulations, and draft law.

4. Positively contribute and pay attention to carrying out the national defense and public security maintenance work. For example, organize to educate and train the cadres, trade union members, state employees, workers, and laboring people to heighten vigilance against the enemy's schemes to affect a peaceful change in order to securely protect public, collective, and personal property.

5. The contents of the movements to score achievements to welcome the congress, including the overall contents of the four points above, must conform to the political duties of trade unions of all localities, branches of service, and grass-roots movements in each stage in order to worthily contribute to the cause of defending and developing the country.

Methods of organizing to implement the instruction:

1. The FLTU Central Committee is authorized to prepare contents of lectures, the draft political report, the draft revised rules and regulations, and the draft law on rights of trade unions along with essential questions on them, and present them to trade unions of the provinces, municipalities, branches of service, and grass-roots movements. They are also authorized to organize lectures and collect views on the draft report, rules, regulations, and law.

2. The FLTU Central Committee, together with the municipalities, branches of service, and grass-roots movements attached to the Central Committee, must organize to turn to certain provinces as seen necessary to carry out activities to implement the contents of this instruction.

3. Make use of mass media tools to publicize the contents of this instruction, organize to collect information about achievements of various movements and then publish those achievements in newspapers, broadcast them via radio and television programs, or announce them through the loudspeaker system.

4. Take into consideration and discuss in detail how to translate into reality the line and policies of the party and various plans of the administration in implementing the instruction in accordance with their respective roles and responsibilities.

Upon receiving this instruction, the executive committees of trade unions of the provinces, municipalities, branches of service, and grass-roots movements are requested to urgently study and organize to effectively implement it based on the practical conditions of their localities. After launching the movements in implementing the instruction, the trade union committee of each locality is requested to review and assess the achievements and remaining points and then report them to the FLTU Central Committee before 1 September 1992.

Thongsing Thammavong Speaks at Oudomsai Meeting

BK3007022392 Vientiane Vitthayou Hengsat Radio Network in Lao 0000 GMT 30 Jul 92

[Text] In his address delivered at the fourth conference of the party committee of Oudomsai Province, which was held between 25 and 27 July, Thongsing Thammavong, Political Bureau member of the party Central Committee and head of the party Central Committee Organizational Board, speaking on behalf of the party Central Committee and in his own name, expressed wholehearted acclamation for the proceedings undertaken at the conference.

In his address, Thongsing Thammavong highly assessed the achievements and victories won by the armed forces,

cadres, state employees, workers, and multiethnic people of Oudomsai Province in the past recent years, thus actively contributing to gradually enriching the cause of national defense and construction. At the same time, he also pointed out the complex, changing world situation and the schemes of bad elements in trying to create disturbances to undermine and destroy peace among our people. He then called on all services to actively take the initiative to effectively implement and transform into reality Resolution No. 11 adopted by the party Central Committee Political Bureau on the tasks of national defense and public security and to increase and concentrate all efforts and resources on building the economy by gradually transforming natural agricultural production into goods production and vigorously promoting and boosting the family economy among farmers.

In addition to discussing the tasks of national defense, public security, and economic development, Thongsing Thammavong also noted the significance of work in the education, cultural, and social spheres, which should be consolidated, developed, and expanded step by step.

Sports Minister Addresses Educational Conference

BK2807112492 Vientiane KPL in English 0902 GMT 28 Jul 92

[Text] Vientiane, July 28 (KPL)—The Ministry of Education and Sports opened here yesterday the annual conference of educational administrators. The objectives of the conference are to assess the educational and sports activities in schools during the 1991-1992 academic year, to map out plans for education and sports development in the next academic year, and to adopt an organisational structure of the education-sports sector from central to district levels.

The conference also discusses the aims and plans for general education for the entire country and pass plans for the development of education quality, especially general education, adult education, upgrading programme for governement personnel, and teachers' training and refresher course.

Addressing 120 education and sports officials across the country, Mr. Saman Vi-gnaket, minister of education and sports, pointed to the significance of the annual conference. The present situation demands for a renovation, new improved standard of education to meet social demand. "Consequently, the task of this conference is not only to pinpoint weak points and shortcomings of the education from the previous years but also to find ways and measures to materialise the direction to gradually raise the national education level to international standard", stressed the minister.

Mr. Saman Vi-gnaket also praised the achievement in education in the last academic year. In particular, teachers and educational personnel throughout the country fulfilled their duties despite various for the sake of education development and expansion. [sentence as received]

An outstanding phenomenon of last school year was the resumption to teaching job by teachers who had quit their job. Many domains in education and sports have seen some development.

The conference will last six days.

Premier Discusses Economy With Khammouane Cadres

BK2907085592 Vientiane Vitthayou Hengsat Radio Network in Lao 1200 GMT 28 Jul 92

[Text] While visiting Khammouane Province on 21 July, Prime Minister Khamtai Siphandon held talks with leading cadres of the province on ways and means of boosting efficiency in agricultural production and economic development in the area.

The prime minister remarked that at each step of the project to produce goods, leading provincial authorities must exert their utmost efforts to implement measures and provide facilities to encourage the farmers' production processes. For example, this year, support must be rendered to farmers to enable them to complete their main rice cultivation within due time and to achieve the set target. At the same time, provincial authorities will also have to actively and seriously make all preparations against possible future drought and floods in order to prevent natural disasters from causing hardship to people again.

On this occasion, Prime Minister Khamtai Siphandon also stressed the importance of protecting work in the fields of economy, planning, and finance, which are among the primary factors for a gradual development of the economy in the province.

Philippines

Group Says U.S. Plans Access to 22 Ports

HK3007012592 Manila THE CHRONICLE in English 30 Jul 92 p 1

[By Gemma Tampus]

[Text] The US Navy is seriously planning access to 22 Philippine commercial ports, the Nuclear Free Philippines Coalition [NFPC] said yesterday.

NFPC Chairman Roland Simbulan presented to reporters at a press conference a supposedly "restricted" document indicating that access arrangements with the Philippines are being considered by the American military to the following ports: Cebu, Davao, Manila, San Fernando, Cagayan, Batangas, Bacolod, Iloilo, Dumaguete, Tacloban, Masbate, Legaspi, Laoag, Roxas City, Lingayen, Romblon, Baybay, Tagbilaran, Zamboanga, Puerio Princesa, Calbayog and Subic Bay.

The document, entitled "Port Directory Guide For Visiting Ships," was supposed to have been prepared by the US Fleet Intelligence Center, Pacific, for the Commander in Chief of the Pacific Fleet.

Simbulan said the document was prepared last year shortly after the Senate had rejected a new bases treaty that would have allowed the US continued use of bases in the Philippines. He refused to reveal how and from whom he acquired the document.

The report was released in the wake of impending discussions on the possibility of continued access of US troops to Philippine territory even after the termination of the 1947 Military Bases Agreement.

During the recently concluded 25th Association of Southeast Asian Nations Ministerial Meeting, the Asean countries have agreed that there is a need for US forces to stay in the region because of perceived Japanese threat.

Citing this year's move of Japan to allow troops to participate in the United Nations peace-keeping missions, the Asean members concluded that there is a need to maintain some sort of political stability in the Southeast Asian region.

This position has consequently placed a tacit pressure on the Philippine government to open its doors once more to the US military.

President Ramos has said that talks about US military access will not materialize unless the American government will initiate the move. In any case, the matter is expected to be taken up during the Mutual Defense Board meeting between the two governments late this year.

The classified US Naval report considered among others the capacity of the ports to accommodate military vessels, airfields, road, rail and steamer transportation, services, logistics and general information about the ports.

Since the American military has made it a policy not to deny nor to confirm that its vessels are carrying nuclear weapons, Simbulan said the plan of the US Navy violates the antinuke provision of the Philippine Constitution.

Simbulan also said he feared that this move would sever our economic ties with friendly countries such as Iraq and other Middle East nations which the US regards as hostile.

Simbulan also expressed apprehensions that an access arrangement with the US would undermine our relations with other countries.

He said that the NFPC will conduct an information drive against the plan to make the country a "staging ground for military intervention."

Asked by the Chronicle about the authenticity of the document, US Embassy spokesman Murton Smith said he doesn't understand what the paper was all about and called it "nonsense."

Smith also said Simbulan "does not know what he is talking about."

But at the same time, Smith did not rule out the possibility of US military vessels' visiting Philippine ports in the future.

He said everything would depend on the outcome of the two governments' mutual defense treaty meeting late this year.

Manila Recognizes Georgian Republic Sovereignty

HK3007061892 Quezon City MALAYA in English 30 Jul 92 p 2

[By Carlito Pablo]

[Text] The Philippines yesterday recognized the Republic of Georgia as a sovereign and independent state saying it welcomes the establishment of diplomatic relations between the two countries.

"We trust that its membership in the international community of nations will contribute to peace, stability and security to the region and the world as a whole," a government statement said.

The statement added: "We wish the Republic of Georgia success in assuring its people democracy, human rights and a free market economy."

The move came after the recent establishment of the State Council of Georgia chaired by former Soviet Foreign Minister Eduard Shevardnadze.

Ramos, Senators Agree on Working Relationship

HK3007061992 Manila MANILA BULLETIN in English 30 Jul 92 p 1

[By Fred M. Lobo]

[Text] President Ramos and the Senate agreed yesterday to work together and adopt measures aimed at promoting political stability and the country's economic recovery.

In a meeting yesterday at Malacanang, the senators expressed to Ramos their support for the amnesty program and the move to legalize the Communist Party of the Philippines (CPP) and similar organizations, alongside efforts for economic recovery, primarily through trade and investments and tax reforms that would raise billions and jail tax evaders.

The President also vowed to provide affordable power or electricity nationwide, including far-flung rural areas.

He said that power provision and checking of brownouts will be carried out through the creation of the Department of Energy (DOE) and the help of rural electric cooperatives.

Ramos invited the senators yesterday to a meeting at Malacanang in what insiders called a "strategic political courtship" of the Senate dominated by opposition forces.

Presidential spokesperson Annabelle Tecson Abaya said "the President obtained the assurance of the Senate for

support on the Executive Department's priority bills, particularly addressing trade and investments and political stability."

Senate President Neptali Gonzales told Ramos that the Senate welcomes the Malacanang legislative agenda as it coincides with the thinking of the senators.

Ramos was also informed by Sen. Orlando Mercado that he will sponsor the bill seeking the repeal of RA [Republic Act] 1700 which outlaws the Communist Party. The bill seeks to legalize the CPP and similar groups.

The legalization of the CPP was sought by Ramos alongside the adoption of a two-step amnesty program for all rebels.

Sen. Gloria Macapagal Arroyo also told the President that she will file a bill seeking to break down barriers to foreign investments, in addition to a bill seeking approval of the Condominium Act.

Ramos and his Cabinet discussed with the senators various areas in trade and investments such as the liberalization of the foreign exchange market, trade liberalization, tariff adjustments, and countertrade activities.

"On fiscal policies, the President and the senators agreed to take decisive action to swiftly mobilize the economic recovery program," Abaya said.

She said that the actions will cover reforms on the value-added tax program, increased penalties for tax evasion, including mandatory jail term for tax evaders as proposed by Finance Secretary Ramon del Rosario, creation of confidential positions in the Bureau of Internal Revenue and creation of tax courts.

Other areas discussed were education, housing and health.

Meanwhile, Ramos vowed to improve power provision in a speech before the International Convention on Rural Electrification at the Westin Philippine Plaza hotel.

He said that he will push for the creation of a Department of Energy to handle and coordinate power provision planning and programs.

Ramos also asked the National Electrification Administration (NEA) and rural electric cooperatives (RECs) to try their best in helping solve the country's power problems.

During the same occasion, the first copy of *Light Years*, a book on the history of rural electrification in the Philippines, was given to Ramos by NEA Administrator Rodrigo E. Cabrera, who authored the book.

The book traces the growth of the rural electrification program as well as discussed comprehensively the global national political conditions which necessitated shifts in program direction the status of NEA's agenda for growth, regionalization strategy and an analysis of the factors which contributed to the success or failure of rural electric cooperatives, said Cabrera.

Interested persons were asked to call the NEA public relations office, 9th floor, Triumph Building, 1610 Quezon Ave., Quezon City, 922-3197, 921-2141, or 921-2140 local 8.

Creditors Support Ramos Economic Program

HK3007050892 Manila MANILA BULLETIN in English 30 Jul 92 p B-1

[By Fil C. Sionil]

[Text] The country's multilateral and bilateral creditors have expressed strong support to the leadership of President Fidel V. Ramos to bring about economic progress in the country.

In a joint report to the Chief Executive, Finance Secretary Ramon del Rosario Jr. and Central Bank [CB] Governor Jose L. Cuisia Jr. said that the Japanese and United States governments as well as the International Monetary Fund (IMF) and the World Bank (WB) gave "very positive outlook" about the country's economic situation.

But Del Rosario and Cuisia informed the President that they objected in their meeting with IMF officials in Washington to the proposal of the Fund to impose "specific action requirement" regarding the fiscal obligations as conditions for the completion of the June 30 review.

Earlier, Cusia admitted that due to slippages in the monetary targets prescribed in the economic stabilization program (ESP) the second performance review has been delayed.

"We strongly resisted attempts by the IMF to impose specific action requirements on the fiscal side as conditions for the completion of the June 30 review," both Cuisia and Del Rosario told the President.

The economic managers added that they instead "agreed that once monetary targets are back on track, we would pin down the remaining requirement for the completion of the review, including a possible review mission sometime early in August."

Asked to expound on the "specific action requirements" recommended by the Fund officials, Cuisia said these involved the sale of more government assets to the private sector, among others.

Cuisia contended that these actions need not be undertaken as the country already met the fiscal indicative targets. The problem still to be addressed is the reserve money level which accelerated to a level more than what has been programmed.

According to Cuisia, they have assured the Fund that such targets or level of liquidity in the system will be corrected before the end of the month as the CB implements measures to address the issue.

The two economic managers also reported that upon the completion of the IMF review the Philippines should already start negotiations with the fund for a medium-term facility which can support a growth oriented medium-term economic program.

Corollary to this, both recommended to the President a three-point action program:

—Ensure that the IMF review be completed as soon as possible and in this regard, CB must take whatever measures necessary to achieve its reserve money and base money objectives by July 1992;

—Ensure the successful completion of the ESP and laying the groundwork for higher public investments by pushing for legislation that will meaningfully address the fiscal deficit reduction objective over the short- and medium-term through revenue enhancing measures; and

—Commence preparation for a successor program to the ESP by formulating a medium-term growth-oriented program which CB be supported by the IMF and the WB. [sentence as published]

Rural Electrification Gets 150 Million Pesos

HK3007053592 Manila THE CHRONICLE in English 30 Jul 92 p 9

[By Maricor Zapata]

[Text] The World Bank [WB] and the Overseas Cooperation Fund (OECF) of Japan will be granting soft loans amounting to a total of $152.7 million this year to the National Electrification Administration (NEA) for the rehabilitation and capital upgrading of around 100 rural electric cooperatives nationwide.

This was revealed yesterday during the first plenary session of the 1992 international convention on rural electrification by John A Patterson, acting director of US Agency for International Development (USAID).

Patterson said the NEA projects to be funded by the foreign assistance from WB and OECF would be worked on in coordination with NEA's current technical assistance program, which is being funded by a $40-million grant approved by the USAID in 1988.

Proposed Tax Measures To Encounter Difficulty

HK3007055392 Manila BUSINESS WORLD in English 30 Jul 92 p 30

[By Ma. Caridad S. Bautista]

[Text] The Executive Department is facing a tough battle with Congress on its proposed tax measures even as President Ramos yesterday received support from senators on further liberalization of the foreign exchange market and international trade.

Presidential spokesperson Annabelle Abaya admitted in a press briefing yesterday that the Department of Finance [DOF] will meet a "tough sailing" as it tries to justify the need to impose more taxes.

The Government is proposing revenue-generating measures, including additional taxes, to generate P18.9 billion [pesos] to support the 1993 national budget. Even with these new measures, however, the country will still have a budgetary deficit of P22.1 billion.

Senate President Neptali Gonzales, after his meeting with the President (the President met with 22 other solons), told reporters that the senators were in agreement with the general thrusts of the administration's legislative agenda.

The objections, he said, were centered on the new tax measures proposed by Finance Secretary-designate Ramon del Rosario. "Like taxes on soft drinks and other carbonated drinks," he pointed out, "the senators immediately reacted to that."

He disclosed that the senators voiced their objection to the President saying imposing a tax on carbonated drinks was not like taxing a luxury item. In fact, one senator said it was "detrimental to the poor."

The other revenue-generating measures being proposed by the DoF include: increasing the coverage of VAT [Value Added Tax], P1.6 billion; further refinementsin VAT, P1.8 billion; setting up confidential positions in the Bureau of Internal Revenue (BIR) and Bureau of Customs (BoC), P3.6 billion; abolition of the gross receipt tax, P1.5 billion; adjustment in sin taxes, P1.9 billion; excess energy consumption tax, P100 million; tax on realty speculation P100 million; and 20

excise tax on non-essentials P800 million. Some of these have already been proposed to the previous Congress.

So far, the DoF has only identified less than one-half of the proposed new measures. Based on data from that department, P10.1 billion wil be derived from "still to be identified measures." (The proposed tax on carbonated drinks may already be included in this.)

Under the proposed 1993 national budget, total revenues expected by Government will be P284.2 billion (including new measures). The BIR must come up with P155.9 billion. On this regard Sen. Raul Roco urged the Government to instead increase tax collection efforts. He said of the 14 million potential taxpayers, only two million are paying their taxes.

From the BoC, the Government is expected to generate P80 billion and another P2.9 billion from other offices.

Non-tax revenues will be P28 billion: collections from offices P15.7 billion; foreign grants P1.9 billion; economic support fund P1.4 billion; PCGG [Philippine Commisson on Good Government] collections P500 million; APT [Additional property tax] collections P1 billion; interest

income from Central Bank P6.8 billion; interest on advances to corporations P700 million. Liberalization

During the same meeting with the senators, the President was assured that further liberalization of trade and the foreign exchange market will get the support of the Senate.

Sen. Heherson Alvarez said the general thrust of the development programs is to allow more foreign investments, "liberalize the entry of foreign investments...free the foreign exchange from the fetters of regulations...allow a freer foreign exchange and let the peso seek it own value," he said.

Ms Abaya said Sen. Gloria Macapagal-Arroyo also raised the issue of whether to change the current policies on the foreign exchange rate or not. "It was whether to let the rate be based on the amount of dollar coming in or as defined by the Central Bank based on the needs of the country," Ms. Abaya quoted Sen. Arroyo as asking. She admitted however, that Government is yet to decide on this issue.

On trade liberalization, Sen. Arroyo said she filed a bill that seeks to break down the barriers of trade and the Condominium Act.

As explained by Sen. Alvarez, there is going to be a package of legislation which will allow more assurance to foreign investors. "Their tenure on big resources like land, how many hectares should they keep...we have to define this very carefully," he said.

Sen. Alvarez said if foreign investments will be intended for industrialization "then there will be liberalization." "But this is going to be a lease in itself and amendment to the condominium law," he added.

Two Top Manila Police Officials Relieved

HK3007035792 Manila DWIZ Voice of the Filipino People's Radio in Tagalog 2200 GMT 29 Jul 92

[Text] Superintendent Ernesto Diokno, chief of the Western Police District [WPD], has been replaced by Senior Superintendent Proceso Almando, former deputy head of WPD.

Police officials are still deliberating on who will be tapped to replace Chief Inspector Jose Pring, head of the WPD anticarnapping task force.

Philippine National Police [PNP] Director General Cesar Nazaraenao said he asked Diokno to take a vacation, as recommended by Interior and Local Government Secretary Rafael Alunan. The removal of Diokno and Pring was ordered by Alunan while the men were being investigated for links to kidnap-for-ransom syndicates.

Chief Superintendent Angel Quizon, chief of the PNP Internal Affairs Division, said he will announce today the result of the investigation of Diokno, Pring, and chief inspector Timoteo Sarcal, former chief of the Special Investigation Group, who was also linked to the kidnap syndicate.

Congress To Support Repeal of Antisubversion Law

HK3007030192 Quezon City Radyo ng Bayan in Tagalog 1000 GMT 29 Jul 92

[Text] Leaders of the two houses of Congress have agreed to support the repeal of tne 35-year-old antisubversion law. The move is the first step in the granting of amnesty to all rebels.

Senate President Neptali Gonzales and Speaker Jose de Venecia said it is time to review the antisubversion act in line with the efforts of the Ramos administration to end the insurgency problem.

Meanwhile, members of Congress have started discussions on the general amnesty program for all kinds of rebels.

Police Free 13 Suspected Communist Rebels

HK3007035692 Manila DWIZ Voice of the Filipino People's Radio in Tagalog 2200 GMT 29 Jul 92

[Text] The Philippine National Police [PNP] has freed 13 suspected communist rebels who were arrested Monday [27 July] in raids in Quezon City. But PNP Intelligence Chief Senior Superintendent Dictador Alqueza said the detainees will still face subversion charges. Alqueza said the PNP decided to free the 13 alleged New People's Army [NPA] rebels in line with the government's efforts toward peace and reconciliation. Some of those freed said they hope the peace initiative of President Fidel V. Ramos was not just propaganda.

Secretary Notes Communist Legalization Problem

HK3007054592 Manila BUSINESS WORLD in English 30 Jul 92 p 30

[By Wilfredo G. Reyes]

[Text] Defense Secretary and National Unification Commission (NUC) chairman Renato S. de Villa yesterday disclosed that the status of the NPA [New People's Army] as opposed to the CPP [Communist Party of the Philippines] and the NDF [National Democratic Front], would constitute a problem for the NUC once the CPP is legalized.

Specifically, he said members of the NPA who are apprehended for illegal possession of firearms or for the unauthorized carrying of such arms in public after the party's legalization would be charged under the provisions of the Revised Penal Code.

"We will treat it (the CPP) as a legal political party with a private army," Mr. de Villa said. "If the CPP is allowed to surface as a regular political party, eventually it will have to be distinguished from the NPA."

He admitted, however, the government has yet to adopt a definitive stand on this foreseen problematic dichotomy. "It will have to be addressed by the NUC," the defense secretary declared. "Somehow, this issue will have to be resolved as soon as Republic Act 1700 is repealed."

Nevertheless, he warned CPP members to follow established laws. "For example, a member of the CPP who walks in Luneta with an M-16 will have to be caught and charged under the Revised Penal Code," Mr. de Villa stressed.

Mr. de Villa also acknowledged potential complications due to the CPP/NPA's fragmentation into highly autonomous commands. "The NUC will have to talk with various factions and leadership segments," he said.

He further stressed the commission would enjoy operational flexibility in order to address various possible situations. "The NUC can design its own process, conduct extensive dialogue and consultations with all sectors," he emphasized.

Militant Labor Group Denies Ties With CPP

HK3007035592 Manila DWIZ Voice of the Filipino People's Radio in Tagalog 2200 GMT 29 Jul 92

[Text] The May 1 Movement [KMU] has denied it is an ally and supporter of the Communist Party of the Philippines [CPP] headed by Jose Ma. Sison.

In an exclusive interview with Radio Station DWIZ's Headline Patrol No. 5, KMU Chairman Crispin Beltran said the KMU and other militant cause-oriented groups simply share a common view on national issues.

He said KMU's existence is in observance of the Philippine Constitution, unlike the CPP, which does not believe in the Constitution.

Beltran's statement was in response to the recent statements of Sison and his wife in a television interview in Europe.

Thailand

General To Comply With Decisions on May Events

BK2907025692 Bangkok THE NATION in English 29 Jul 92 pp 1, 2

[Text] Prime Minister Anan Panyarachun is considering moving at least three top level Armed Forces officers to less important posts in an attempt to defuse the political timebomb left by the May massacre, well-informed sources said last night.

To arrive at his decision, Anan will consider a Defence Ministry committee report of its inquiry into the violence, the sources said. The report was submitted to the prime minister on Monday by Defence Minister Gen Banchop Bunnak.

The sources said the findings implied that military action to disperse prodemocracy demonstrators in May was "heavy-handed", although there was no clear-cut conclusion about who should be blamed for the violence.

In the wake of the fatal prodemocracy protests, there have been widespread public calls for the removal of senior military commanders.

In particular, three officers have borne the brunt of the anti-military attacks—Supreme Commander Air Chief Marshal Kaset Rotchananin, who is also air force commander in chief, Army Commander in Chief Gen Itsaraphong Nunphakdi and First Army Region Commander Lt Gen Chainarong Nunphakdi. All three were directly involved in the bloody crackdown.

An announcement of the changes among the top brass is expected very soon, the sources said.

Banchop, yesterday welcomed a pledge by Chainarong to comply with any decision made by the government even if he was transferred as a result. It was an "honourable thing" to show responsibility for one's deeds, Banchop said.

"I take it as a good sign, and I appreciate that. I think everyone will agree with me that it is an honourable thing to show responsibility," he said.

Anan is now considering the findings of the Defence Ministry committee inquiry into the violence. He has yet to receive the report of a government-commissioned team which is also investigating the massacre.

During the past few weeks there has been widespread speculation about possible government plans to move military leaders held responsible for the crackdown to less influential posts.

ACM Kaset and Gen Itsaraphong, in particular, were widely blamed for what was considered excessive use of force to quell pro-democracy protesters seeking the ouster of the then prime minister Suchinda Khraprayun. Suchinda, who was not an elected parliamentarian, was a classmate of Kaset and Itsaraphong at the Chunlachomklao Royal Military Academy.

At least 52 people were confirmed killed and hundreds wounded when troops fired on unarmed protesters on Ratchadamnoen Avenue between May 17 and May 20. The Interior Ministry and pro-democracy groups say hundreds are still unaccounted for.

Banchop said he had also forwarded to Anan a military reshume list prepared by the chiefs of the armed forces.

"But I have no idea whether the prime minister has finished reading it," he said. "It is top secret."

Banchop refused to comment on the content of the Defence Ministry report, its recommendations or whether the findings would lead to a military reshuffle.

Anan and Banchop have said the findings of the government and Defence Ministry committees will have a bearing on the annual military reshuffle due on Oct 1.

Banchop said he believed Anan would make his decision based on the findings of the two committees and not pressure exerted by various groups of people.

On Monday, Anan said he would announce the findings of the Defence Ministry investigation into the bloodshed himself, but did not say when that would be.

Deputy Supreme Commander Wimon Wongwanit, among potential candidates tipped to replace Itsaraphong as army chief, yesterday said he had not been approached with an offer of the job.

After participating in a religious ceremony at a special warfare unit in Lopburi province, Gen Wimon said he knew no details of the forthcoming military reshuffle.

Asked if he had been approached to take the army's top job, Wimon said "No".

"I don't know whether (the reshuffle) wil be linked to the May incident and I have no idea what the investigation results (of the Defence Ministry committee) are," he said.

Officers Resist Army Chief's Removal

BK3007014992 Bangkok THE NATION in English 30 Jul 92 p A1

[Text] A group of senior army officers said yesterday they wanted Army Commander in Chief Itsaraphong Nunphakdi to stay on regardless of the outcome of the government investigation into the May 17-20 bloodshed.

Lt Gen Yutthana Khamdi, deputy army chief of staff, said army officers who did not want to see Gen Itsaraphong removed from the top post may seek a meeting with Defence Minister Gen Banchop Bunnak to make known their view.

"If you ask us how we feel (about the call for the military shake-up), we have to say that we don't want our leader transferred. We want him (Itsaraphong) to have the opportunity to get down to work," Yutthana told reporters at a press conference after a monthly meeting of commanders of army units from throughout the country at Supreme Command.

It was not clear whether the view expressed by the deputy army chief of staff was shared by other commanders at the meeting.

The statement comes at time when Prime Minister Anan Panyarachun is studying the possibility of relegating three top military officers, including Supreme Commander ACM [Air Chief Marshal] Kaset Rotchananin and Itsaraphong, to less powerful positions.

Meanwhile, the prime minister met Gen Banchop for two hours at Government House yesterday evening to discuss the findings of the Defence Ministry investigation into the May incident.

"I asked Gen Banchop to come over to explain parts of the Defence Ministry's report which I find difficult to understand and need clarification," Anan told reporters without elaborating.

Yutthana said Itsaraphong, who presided over the meeting of army commanders, appeared to have been "upset and disheartened" by the call for his ouster.

ACM Kaset, also air force chief, and Itsaraphong were widely blamed for what was considered excessive use of force to quell pro-democracy protesters seeking the ouster of former prime minister Suchinda Khraprayun. Suchinda, who was not an elected member of Parliament, was a classmate of Kaset and Itsaraphong at the Chunlachomklao Royal Military Academy.

At least 52 people were killed and hundreds others injured when troops fired on unarmed protesters on Ratchadamnoen Avenue during May 17-20. The Interior Ministry and pro-democracy groups say hundreds others are still unaccounted for more than two months after the incident.

Yutthana, also a classmate of Suchinda, maintained troops deployed to put down the unrest in May did not use excessive force against the protesters. He said he believed the bloodshed was caused by a group of people who instigated the protest that turned into a riot.

He said Itsaraphong had shown responsibility for the blooddy crackdown but he did not say how.

"He (Itsaraphong) always wanted to come out publicly to show his responsibility, to give a press conference, and to resume work. But he was worried. He was afraid people wouldn't want to hear what he had to say," Yutthana said.

Yutthana said the findings of Defence Ministry and government investigation committees should not be linked to the annual military reshuffle due in October.

"I don't think the findings should be linked to military reshuffle. The military was only performing its duty to suppress a riot. We believe our mission was legitimate," the deputy army chief of staff said.

Anan and Banchop have said the findings of the government investigation committee will have a bearing on the annual military reshuffle.

Army Official: Military Believes Coups 'Obsolete'

BK2907135992 Bangkok Army Television Channel 5 in Thai 1230 GMT 29 Jul 92

[Text] Speaking to reporters about the meeting of commanders of Army units this morning, Lieutenant General Yutthana Khamdi, deputy Army chief of staff, reiterated that there will not be another coup d'etat because staging coups is obsolete. He said that Army Commander General Itsaraphong Nunphakdi instructed Army unit commanders at the meeting to see to it that all Army personnel take a neutral position in the upcoming general election and allow politicians to use army radio and television stations for their election campaigns.

[Begin Yutthana recording] The Army will be strictly neutral in line with the policy of the higher echelon and government and is willing to allow all political parties and election candidates to share equal use of the army radio and television media for their election campaigns. The Army personnel and their families will be encouraged to freely exercise their right to vote. The Army agrees with the

resolution of the democracy-loving people that a coup d'etat is an obsolete act that obstructs national development. Therefore, the Army will resolutely stand on the side of the people forever. [end recording]

Navy Bans Show After Criticism Against Rightists

BK2907044192 Bangkok BANGKOK POST in English 29 Jul 92 p 3

[Text] The host of a radio talk show yesterday claimed his morning programme on the Navy-run Sor Thor Ror ("Voice of the Navy") station had been banned after he criticised the activities of the right-wing Aphirak Chakri group.

Sunan Sichanthra, editor of the THAI FINANCE newspaper, said he was the host of a show entitled "Discussion on Stock Trading" broadcast on Sor Thor Ror 93 MHz station each Monday-Saturday from 8 to 9 a.m.

The show featured information on stock trading and the political situation, he said.

Mr Sunan said he criticised the Aphirak Chakri group last Friday and called on Prime Minister Anan Panyarachun to stop the group's activities and take appropriate action against military officers responsible for the crackdown on pro-democracy demonstrators in May.

He said his show was ordered off the air on Saturday. The show has subsequently been withdrawn, but Mr Sunan did not say when the ban took effect.

The navy secretary yesterday issued a statement saying the show had been banned following a complaint from a company listed on the Stock Exchange of Thailand.

Mr Sunan said he was told by the station chief only that he felt the show and its political comments could affect the Navy.

The Aphirak Chakri group staged a rally at Sanam Luang last Wednesday where it accused the Prime Minister of trying to destroy the armed forces.

It also accused former opposition parties of instigating the riots which led to the May tragedy.

Supreme Command Comments on Fighting in Cambodia

BK2907033792 Bangkok BANGKOK POST in English 29 Jul 92 p 6

[Text] Fighting between the Khmer Rouge and the Heng Samrin regime for areas of control is spreading, according to Supreme Command information office director Anuson Kritsanaserani.

Speaking at a monthly press conference, he said fighting is reported to have taken place in Kompong Thom, Stung Treng and Preah Vihear provinces.

This month groups of Khmer bandits crossed the border and robbed Thai villagers, he said.

A task force has been set up to suppress the bandits and to control car and motorcycle theft.

Asked about the Thai engineering corps on road construction and mine-clearing assignments under United Nations sponsorship, he said that UN subsidies have not arrived, but that this has not affected operations.

The Supreme Command spokesman said the United Nations Transitional Authority in Cambodia has not asked Thailand to close the border to prevent cross-border trade with the Khmer Rouge, but UNTAC has set up checkpoints inside Cambodia in areas near the borders with Thailand, Laos and Vietnam.

Along the border with Laos, stringent measures have been taken at checkpoints to prevent infiltration by Lao resistance forces into that country.

On the Malaysian border, the repatriation of former members of the Communist Party of Malaya continues.

About two years ago some 1,100 CPM insurgents, conducting an armed struggle against the Malaysian Government from Thai soil, agreed to end their activities and defected to Thailand.

Lt-Gen Anuson said that of this number 408 asked to be repatriated and so far 211 have returned to Malaysia.

Japan To Help Relocate Nuclear Facilities

BK2907042992 Bangkok BANGKOK POST in English 29 Jul 92 p 3

[Tect] A six-member delegation from the Japan Atomic Industrial Forum (JAIF) yesterday held talks with Thailand's Office of Atomic Energy for Peace (OAEP) on a plan to update and relocate OAEP's nuclear facilities.

In a telephone interview, Tatsuo Aoki, general manager of JAIF's International Nuclear Cooperation Centre, said from Tokyo that OAEP had sought "technical advice" from JAIF on its plan to relocate its nuclear facilities.

"The facilities are for research purposes," he said, such as for the production of radio isotopes for medical use.

Mr Aoki added that the facilities may also be used in the research of nuclear activation analysis, but it depends on OAEP.

He denied the reactor would be used for experimental electricity generation.

However, the mass circulation MAINICHI SHIMBUN recently reported that JAIF was making preparations to export a nuclear reactor to Thailand, based on the JRR-3, which was developed by the Japan Atomic Energy Research Institute as a nuclear research vehicle with an output of 20,000 kilowatts.

It also reported that the JAIF delegation, headed by Dr An Shigehiro and including technical experts from Hitachi Ltd and NKK, the company that built the

JRR-3, was expected to present to Thai officials conceptual diagrams of a version of the JRR-3 able to produce 5,000 kilowatts of power.

If Japan is awarded the contract, it would conclude legal documents required for the sale of the reactor. Construction would take two or three years, and would begin in the second half of 1993.

In his telephone interview, however, Mr Aoki said the talks were aimed solely at "technical advice for the time being," and the prospect of selling a nuclear reactor would be discussed later.

Contacted yesterday, the information division of OAEP said further details would be available today.

Meanwhile, the Thai News Agency quoted OAEP Secretary-General Suchat Mongkhonphan as saying on Saturday that his office had plans for a "new site for the office's nuclear facilities" in Tambon Saimun, Ongkharak District, Nakhon Nayok Province.

He said some 150 community leaders and representatives were invited to visit the OAEP facilities on Wiphawadi Rangsit Road.

OAEP experts visited the community last June to explain the project.

JAIF is a non-profit organisation comprising some 800 companies, mainly nuclear component manufacturers, electric utilities and research and development organisations.

Requirements for New TV Stations Reviewed

BK3007012792 Bangkok BANGKOK POST in English 30 Jul 92 p 4

[Editorial: "New TV Channels Need Proper Planning"]

[Text] The enormous public interest in this week's Cabinet dicision to allow five new UHF television stations is not surprising. The public's thirst for balanced and objective news from the electronic media has been made all the more pronounced after the blatant distortion of events surrounding the May crisis by the state-controlled TV and radio networks. By itself, information is playing an increasingly important role in the conduct of our daily life—be it in the political, economic or social spheres.

On the surface, the rationale given by the Government in its determination to push through the five new TV stations quickly also sounds plausible. The quality of programming should improve as a result of competition among the new stations which will be privately run and operated. This in turn should force the existing four commercial stations namely channels 3, 5, 7, and 9—to improve their programming quality, which is less than impressive at present. The Government may well be pardoned for the apparent haste with which it is trying to demonopolise the electronic media within its short tenure, for a bold exercise of this nature is bound to run into stiff resistance from vested interests if it were undertaken by an elected government after the September poll.

But beneath this rosy picture lies a multitude of problems begging clarification. While the advertising industry welcomes the establishment of more stations because this will help do away with the monopolistic grip by the existing networks, concern has already been expressed in other quarters over how the new stations will be able to survive under more intense competition for the overall advertisement expenditure that will not grow proportionately. The Government has placed heavy emphasis on news, but the production of high-quality news and documentaries is extremely costly. Will the Government's objective not be defeated if the new stations are forced to concentrate on entertainment-type programmes such as soaps and game shows that do little to enhance political or social values but still manage to capture a larger share of commercials?

The government committtee headed by PM's Office Minister Michai Wirawaithaya that was charged with reviewing the state media had also emphasised the need to make the companies that will run the new stations public concerns, with as diverse a public share ownership as posssible. But the nagging question remains how these supposedly public companies will truly reflect public interests through their programming. Companies currently listed on the Stock Exchange of Thailand can claim the "public" status. Indeed all of them are legally required to make modifications in order to conform with the recently-enacted Public Companies Act. But are they "public" in the true sense of the word? It is no secret that the majority of them are controlled by single ownership blocs.

Industry experts have put the investment cost of a UHF station with nationwide transmission capability at around two billion baht. Given the intense competition for advertising revenue to guarantee survival, how are the interests of small shareholders going to be protected while at the same time ensuring that the broader objective of quality programming is not compromised?

The list of questions can be extended. The Government has obviously taken a positive initiative, though the new committee headed by Science & Technology Minister Phaichit Uathawikun will have to tackle these various questions with a realistic rather than overly-idealistic approach. For instance, instead of requiring instant nationwide transmission, the new stations should be allowed to start from a small base to develop specific market niches within a specified timeframe before they are required to expand areas of coverage. All stations willunderstandably want to focus on the most lucrative

market in Bangkok, but they can also be assigned specific regions in the provinces as well.

On the question of ownership versus policy on programming, a clear line must be drawn to separate policy from commercial considerrations. The golden rule that has long proven successful in the case of newspapers may well apply here: quality editorial content borne out of an independent editorial policy build up readership which in turn generates more advertising revenue.

Australia

Keating Warns Vanuatu on Expulsion of Diplomat

BK3007041392 Hong Kong AFP in English 0221 GMT 30 Jul 92

[Text] Canberra, July 30 (AFP)—Australian Prime Minister Paul Keating told the tiny Pacific nation of Vanuatu on Thursday that its recent expulsion of a senior diplomat would not be tolerated by Canberra.

Keating said the acting high commissioner to Vanuatu, James Pearson, expelled early this month by Vanuatu Prime Minister Maxime Carlot, had done nothing to deserve expulsion.

The expulsion followed a charge by Vanuatu that Pearson had been attempting to meddle in its affairs by expressing concern about new Vanuatu business legislation Australia believed was likely to affect investment and development.

Australia is already reported to have banned all ministerial and senior official visits between Australia and Vanuatu until December 31, in the latest of a series of diplomatic protests against the expulsion.

An earlier cancellation of planned visits to Vanuatu by two Australian Navy ships, HMAS Jervis Bay and HMAS Derwent, has also been expanded to include a ban on all Australian Navy visits until the end of this year.

However, Keating told journalists in Rockhampton on Thursday that he did not believe there would be lasting repercussions from the incident.

"I don't think there will be long-term damage but Australia is not going to be treated in this way... to have our ambassador expelled for simply a normal diplomatic thing," the prime minister said.

Pearson had merely been representing Australian interests to the Vanuatu Government about commercial and tax matters, and had done nothing that was out of line. "It's just par for the course for normal diplomatic discussion," Keating said.

Current Account Deficit Rises 7 Percent in Jun

BK3007073292 Melbourne Radio Australia in English 0500 GMT 30 Jul 92

[Text] Figures released today by Australia's Bureau of Statistics show a worsening of the country's trade position. In seasonally adjusted terms, the current account deficit for June rose seven percent to just over A$1.2 billion. Imports rose six percent to more than A$4.5 billion—the highest level since August 1989. Exports for the month were also up four percent. The preliminary current account deficit for the 1991-92 outstands at nearly $11.8 billion.

Treasurer John Dawkins says this is well below the budget forecast and is 25 percent lower than the previous year's deficit. Mr. Dawkins said for the first time in more than a decade, Australia has exported more goods and services than it imported.

Another economic measure which provides some optimism shows that new building activity has improved with approval for residential housing rising by 1.9 percent in June.

Solomon Islands

Premier Seeks Better Ties With Papua New Guinea

BK3007065192 Melbourne Radio Australia in English 0500 GMT 30 Jul 92

[Text] Papua New Guinea's prime minister, Paias Wingti and his Solomon Islands counterpart, Solomon Mamaloni, say they are committed to fully restoring relations between their two countries.

In a joint statement released in the Vanuatu capital, Port Vila, the two prime ministers say their foreign ministers will meet immediately to lay devices for regular contacts and direct communication at all levels of government.

The statement said the two countries would work together in accordance with Melanesian traditions and shared interests to speedily address the spillover effects of the Bougainville crisis. It says they will adopt a comprehensive and mutually agreed approach to effectively deal with the crisis on Bougainville in as far as it affects the national interest of both countries.

Mr. Wingti and Mr. Mamaloni met in Port Vila, where they were attending an extraordinary summit of the Melanesian Spearhead Group. Solomon Islands stopped official contact with Papua New Guinea after two cross-border raids on Solomons' territory by the Papua New Guinea Defense Force soldiers in April of this year.